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General

Commentary on 'Important Step' on Afghanistan
HK121444 Beijing RENMIN RIBAO in Chinese
12 Feb 88 p 6

["Commentary" by RENMIN RIBAO reporter Shi Zhongxing (0670 1350 2502): "An Important Step Taken"]

[Text] Islamabad, 10 Feb—When Diego Cordovez ended his shuttle visits between Pakistan and Afghanistan on 9 February, an important step had been taken toward the eventual solution of the Afghan issue.

The gap between Pakistan and Afghanistan on some major issues has been narrowed to such an extent that they can reach an agreement on them. According to Cordovez's announcement: The timetable for a Soviet troop withdrawal from Afghanistan, which has remained unresolved for many years, is no longer a problem and the gap between both parties has been bridged; on the arrangements for a phased troop withdrawal the Soviet Union and the Kabul regime have agreed to Pakistan's demand to withdraw half of the invading Soviet troops from Afghanistan within the first 3 months of troop withdrawal. Moreover, both parties have agreed to accept United Nations military personnel to supervise the Soviet troop withdrawal.

Both parties have decided through consultation to reopen indirect talks in Geneva on 2 March, which will concentrate on finalizing the fourth document on Soviet troop withdrawal. The many minor points still remaining will also be discussed and defined at the next round of talks. On the question of setting up an interim government in Afghanistan, a matter of great concern to people, all parties have generally accepted the following principles: It is necessary to set up an interim government; the interim government should have extensive representation; and its functions will be to supervise the withdrawal of Soviet troops, safeguard public order, arrange for the return of refugees, and prepare for national elections.

As a representative of the United Nations, Cordovez and the leaders of the Afghan resistance organizations have held an "unprecedented" first meeting, which was regarded by public opinion as a positive development trend. This shows that the role of the resistance forces in the Afghan peace process has been universally accepted. It is increasingly clear that it will be impossible to seek a total solution of the Afghan issue by excluding the resistance forces.

Even after this important step there is still some distance to go to the eventual solving of the Afghan issue. As a person here vividly put it, "We are now arriving at the river bank. If we want to get to the other side of the river we must build a bridge, namely by setting up an Afghan government." Before the bridge is completed, even though the Soviet Union has withdrawn its troops, it will

be difficult to remove conflicts in Afghanistan because of the existence of the Kabul regime, and the return of several million refugees will not have a reliable guarantee either. After the Pakistani Government publicly declared its stand to "sign an agreement only with a legitimate Afghan Government," the question of setting up an interim government in Afghanistan became even more urgent. The Pakistani Government has put forward a proposal for the simultaneous development of "two tracks." This means progressing the Geneva talks while solving the question of "transitional arrangements," because the latter is an indispensable condition to the genuine restoration of peace in Afghanistan.

However, as far as the current situation is concerned, the speed of the "second track" seems very slow because the stances of all parties are very wide apart. The proposal by the Kabul side basically still comes within the "national reconciliation government" framework it put forward last year. That is to say in an attempt to preserve the leading position of the People's Democratic Party, the present regime will give up some unimportant posts to be taken up by resistance forces representatives and neutral figures. The Afghan resistance organizations however want to set up a government composed of representatives of the country's resistance forces, refugees, and Muslims. They will never share power with Najibullah's People's Democratic Party. On the question of whether or not former Afghan King Mohammad Zahir Khan should return to the country to participate in government and political affairs, a question of great public concern, there are differing views within the resistance organizations. Therefore, an important current topic is how to enable all parties to make concessions and set up an interim government acceptable to all. The future progress of the political solution to the Afghan issue will, to a large extent, depend on the speed of the "second track."

UN Security Council To Meet on Airliner Crash
OW140803 Beijing XINHUA in English 0651 GMT
13 Feb 88

[Text] United Nations, February 12 (XINHUA)—It is announced today the U.N. Security Council will hold an urgent meeting to consider last November's crash of a South Korean airliner off the coast of Burma that killed 115 people aboard.

U.N. spokesman Mario Zamorano told a news briefing that the Security Council was acting at Japan's request and would take up the Korean Airlines (KAL) question on February 16.

He said the urgent meeting was also requested by South Korea's permanent observer to the United Nations in a letter to the Security Council president, U.S. Permanent Representative Vernon Walters.

Sources close to the Security Council said China and some other member states were not in favor of convening an urgent meeting as it would do no good to relaxing the tensions on the Korean peninsula.

The ill-fated South Korean Airlines Boeing 707 jet disappeared November 29, 1987, on a regular flight from Baghdad to Seoul after communicating with the ground control station in Rangoon.

Seoul charged in its letter to Council President Walters that the explosion was caused by time bombs planted by two agents of the Democratic People's Republic of Korea (DPRK) who left the plane in Abu Dhabi. An investigation report and more than two dozen photos accompanied Seoul's letter.

The DPRK permanent observer mission refuted Seoul's investigation at a press conference here February 9, counter-charging that the KAL incident was a "self-made drama" of Seoul to use the incident for "an unprecedented anti-communism smear campaign."

The DPRK mission also distributed a statement of the Central Committee of the National Democratic Front of South Korea to support its counter-charge.

Zambia, representing the non-aligned members, said that even if the meeting is held as procedurally required, it hoped that the debate would not get acrimonious, as there will be no independent report from which to judge.

Apart from the five permanent members with veto power, the Security Council has 10 members elected by the General Assembly for two-year terms. Currently they are Algeria, Argentina, Brazil, Federal Germany, Italy, Japan, Nepal, Senegal, Yugoslavia and Zambia.

Commentary Urges U.S. To Repeal Law on PLO
OW121512 Beijing XINHUA in English 1446 GMT
13 Feb 88

["Commentary: U.S. Must Fulfill its Obligations as Host to U.N. by Qian Wenrong—XINHUA headline]

[Text] United Nations, February 11 (XINHUA)—U.N. Secretary-General Javier Perez De Cuellar today submitted a report to the General Assembly, saying his effort to avert the U.S. attempt to close the observer mission of the Palestine Liberation Organization (PLO) has been landed in an "impasse."

The report has aroused the U.N. concern about the status of the PLO mission in New York. President of the General Assembly Peter Florin immediately began consulting various regional groups on the problem.

The U.S. Congress approved early last December a legislative amendment describing the PLO as a "terrorist" organization and demanding the closure of its information office in Washington and its observer mission to the United Nations. The bill was later signed by President Ronald Reagan into law which is mandated to be enforced on March 21, 1988.

Although U.S. Attorney-General Edwin Meese 3rd decided yesterday to postpone his announcement on enforcing the law until next week, the worldwide concern about the future of the PLO mission remains because the U.S. attempt is still there.

The PLO mission to the United Nations is one of the 14 observer missions to the U.N. whose operations are covered by the United States under the U.S.-U.N. headquarter agreement signed in 1947. Under this agreement, the United States may not "impose any impediments to transit to or from the headquarters" of "persons invited to the headquarters district by the United Nations."

The PLO is by no means a "terrorist" organization. It was invited to the U.N. as the sole legitimate representative of the Palestinian people in accordance with Resolution 3237 of the 29th U.N. General Assembly. PLO participation in U.N. activities has played an important role in search for a peaceful solution to the Arab-Israeli conflict.

The U.S. congressional move has been denounced as a gross violation of the U.S. obligations to the U.N. by the international community as well as the U.S. public. Legal advisor of the U.S. State Department Abraham D. Sofaer said on January 13 that the bill is "unlawful."

Urging the United States to abide by its obligations, the U.N. General Assembly adopted a resolution last December, affirming the PLO mission's right to maintain its facilities.

U.N. Chief Javier Perez de Cuellar has written four letters to U.S. Representative to the U.N. Vernon Walters, urging the United States not to curtail the current arrangements for the PLO observer mission.

Even the NEW YORK TIMES called in today's editorial for repealing the PLO shutdown law. If implemented, the paper said, the law would incur "further disaster" for the United States.

The closing of the PLO mission could lead to a lawsuit against the United States by the U.N. in the International Court of Justice since the United States has violated its obligations as the host country as stipulated in the 1947 agreement.

Washington will also face a critical challenge by the U.N. General Assembly on the legitimacy of its decisions relating to its functions as the host country.

The last December resolution on the PLO issue was adopted by an overwhelming vote of 145 in favor to one (Israel) against with the United States abstaining. This indicates that the U.S. has put itself on the opposite of the world body and most of the U.N. member states.

If the General Assembly decides to debate the question again, the United States will surely be put in the dock and face ever stronger condemnation.

Some U.N. representatives agreed that if the United States would oust the PLO mission in defiance of its signed agreement, it could also deny the right of other permanent or observer missions to the United Nations to stay in New York.

If this happened, they said, they would propose that the U.N. headquarters be moved out of the country to Geneva or elsewhere.

Israel, who kills massive innocent Palestinians in the occupied Arab territories every day, is a real terrorist country according to the U.S. anti-terrorist argument. Why didn't the U.S. Congress pass a bill to close the Israeli mission to the United Nations? Why does the U.S. Congress still keep silent so far toward the Israeli brutal massacre?

Today's NEW YORK TIMES editorial is right to say that the U.S. Congress, "which made the mess, is the only body that can cleanly extricate the U.S. by repealing this bad law."

"Absent proven acts of terrorism, Washington has a duty to honor the U.N.'s invitation to the PLO to attend and observe U.N. activities," the paper said. This is the only way to avert further disaster for the United States.

Worldwide Recession Not Likely in 1988
*OW130026 Beijing XINHUA in English 0750 GMT
12 Feb 88*

[Text] Beijing, February 12 (XINHUA)—The world economy will develop unsteadily in the next ten years, with a low growth rate and even the possibility of a recession and economic crisis.

This view was expressed by a Chinese expert in a lecture last month in Shenzhen, Guangdong Province, according to today's "CHINA DAILY".

A world economic recession is not likely in 1988, said Huan Xiang, director-general of the Center for International Studies under the State Council.

"My estimate is that with the Americans geared up for a presidential election, there will not be a recession in the United States in the first place," he said.

No one will do anything stupid before the election, the outcome of which will be determined largely by economic rather than political issues.

With the world's largest market and huge annual trade volume with Western Europe, the U.S. economy will have a direct bearing on economic stability in the West.

The economic situation in Western Europe is very disturbing, with 20 to 30 million people unemployed, he said.

Japan is facing the task of changing course — shifting its emphasis from exploring foreign markets to expanding domestic demand.

Burdened with higher prices for manufactured goods, lower prices for primary goods and heavy foreign debt, the Third World countries foresee an even more dismal economic future.

"Generally speaking," he noted, "the whole international economic situation is very serious, with fundamental factors pointing to the certainty of a recession."

Some economists and politicians in various countries are studying ways to alleviate the impact of the coming crisis.

Said Huan: "I personally doubt whether it will be as destructive as the depression that lasted from 1929 to 1933. However, I expect it to be worse than the recession in 1982 and 1983."

Many economists have considered the stock market crash last October a good thing, which has suppressed the mounting fever of speculation.

What is overlooked here is the crash's psychological impact on investors, he noted. During the past three months, the stock market has experienced at least four plunges and surges.

United States & Canada

BEIJING REVIEW Cited on U.S. Relations
*HK151225 Hong Kong AFP in English 1219 GMT
15 Feb 88*

[Text] Beijing, Feb 15 (AFP)—China's official press Monday accused the United States of damaging Sino-U.S. relations and using political blackmail in a decision to suspend an expansion of high-technology transfers to China.

An article in the latest issue of the BEIJING REVIEW weekly warned that "a succession of unpleasant incidents" had marred relations between Beijing and Washington.

Although Sino-U.S. relations had been "progressing steadily," the article cautioned that "the influence of destabilizing factors on the development of relations between China and the United States may haunt us for the next decade or more."

The article by an academic from the State Council, China's highest governing body, cited a number of "major disputes" in 1987, a U.S. congressional resolution supporting Taiwan independence, Washington's protests over China's alleged human rights violations in Tibet and Beijing's alleged sales of Silkworm missiles to Iran.

The article said "negative factors" had emerged in Sino-U.S. relations while "at the same time Sino-Soviet relations experienced a slight relaxation."

Commenting on Washington's decision in October to suspend a planned liberalization of sensitive high technology exports to China in protest over Beijing's alleged arms sales to Iran, the article said "This is purely political blackmail."

"Sino-U.S. relations can continue to develop gradually only if the U.S. desists from further damaging activities," it said.

It added that Sino-U.S. relations were nevertheless "gaining more pull" due to the increased importance of the Asia-Pacific region in world affairs.

The article also condemned U.S. congress resolutions which protested against an anti-Western campaign last year, China's alleged disregard for freedom of speech and its alleged persecution of intellectuals.

Western analysts said the publication of the article marked an unabated deterioration of Sino-U.S. relations which began early last year.

In December, Beijing protested what it called the "frame up" of two Chinese diplomats expelled from Washington on spying charges. The expulsion was the first made public since the normalization of Sino-U.S. relations in 1979.

China has also expressed its disapproval of U.S. protests against the alleged suppression of pro-independence riots in Tibet in October, U.S. trade protectionism and Washington's repeated allegations that China has sold Silkworm missiles to Iran.

In January, the BEIJING REVIEW cast doubt on U.S. President Reagan's ability to lead the Western world and cited a litany of "hot spots" between the two countries.

The article appeared shortly after China's Ambassador to the United States Han Xu had said that "difficulties and questions" had clouded Sino-U.S. relations in 1987.

Western analysts say there has been a gradual toughening of Chinese anti-American rhetoric in the last few months, especially in the official press.

Beijing-based U.S. businessmen say they have already suffered and stand to lose millions of dollars because Chinese companies fear difficulties with American technology as a result of the policy shift.

U.S. Report on Human Rights Abuses Condemned
HK160934 Hong Kong AFP in English 0927 GMT
16 Feb 88

[Text] Beijing, Feb 16 (AFP)—China condemned the U.S. State Department Tuesday for issuing a report on alleged human rights violations in Tibet, saying the report constituted "open interference" in China's internal affairs.

The State Department, in a recently-released report on global human rights violations, hit out at China's role in Tibet and condemned the violent repression of anti-Chinese riots in Lhasa in September and October.

"The improper comments on China's internal matters made by the U.S. State Department in its human rights report constitute an open interference in China's internal affairs," a Chinese Foreign Ministry spokesman said by telephone Tuesday. "We regret this," he added.

The spokesman also rejected the findings of a report by the U.S.-based human rights group Asia Watch, which recently accused China of "systematic abuses of basic human rights in Tibet."

"The so-called report on human rights in Tibet made by the Asia Watch organisation is at variance with reality," the spokesman said, rejecting the report for its failure to report on economic development programmes in Tibet.

Asia Watch claimed that torture, mainly shackling and beatings, was common in Chinese prisons and that the authorities had used electric cattle prods to extract confessions from Tibetan dissidents.

The State Department, while calling attention to the problem of Han Chinese economic and political domination, was more moderate, noting that a "general trend toward a greater toleration of religious activities continued in 1987."

Western analysts noted that China's condemnation of the reports followed a report by the official NEW CHINA NEWS AGENCY (NCNA) Monday saying that riots in Lhasa last year were still causing concern as to whether coming Lunar New Year ceremonies would go ahead peacefully.

It cited a letter from the Tibetan branch of China's Buddhist Association urging residents to avoid "slander and fighting" during the festival from February 24 to March 6, when tens of thousands of Tibetans are expected to gather for mass religious ceremonies.

Anti-Chinese rioting in Lhasa in October left up to 13 people dead according to unofficial count.

The analysts also noted that Wednesday's condemnations came amid several terse exchanges between Beijing and Washington.

China's official press accused the United States Monday of damaging relations and using political blackmail to suspend an expansion of high-technology transfers to China.

U.S. Mideast Proposal: 'Wheels Keep Turning'
HK130918 Beijing RENMIN RIBAO in Chinese
13 Feb 88 p 6

["International Jottings" by Jiao Ming (4109 2494): "A Wheel Turning Without Moving Forward"]

[Text] The U.S. movements in the Middle East peace process have often been described as a wheel turning without moving forward. The cart remains at the same spot although its wheels keep turning. The new proposal recently put forth by the United States for the realization of Palestinian "autonomy" in the Israeli occupied territory in stages serves as another example.

U.S. Secretary of State Shultz recently announced that the United States had again "started to make active diplomatic moves in the Middle East." Two U.S. envoys, Habib and Murphy, conducted "quick tours" of the Middle East to peddle this new proposal. The wheels of the U.S. cart seem to be turning again.

However, a comparison between the main points of the "new proposal" and the previous plans put forth by the United States for the Middle East shows that they are similar. Western experts in Middle East affairs have pointed out that this "new proposal," just like all previous plans, sidesteps the crucial point about the self-determination of the Palestinians and the return of the occupied territory to them.

Reportedly there is one new point in this "new proposal" made by the United States. That is, the term "autonomy" has been changed into a synonym, "self-government." Can this help matters? Word games cannot cover up the essential U.S. stand of not saying a word about the self-determination of the Palestinians or about demanding that Israel return its occupied territory. Obviously, it can be expected that this "new proposal" will be rejected by the Arab states concerned and by the Palestinian Liberation Organization.

The long-term standstill of the Middle East peace process has been caused chiefly by the obstinate obstacle of and sabotage by the Israeli authorities. The Arab states are certainly disappointed by the singing of the old "autonomy" tune by the U.S. Government after a lapse of many years. Events in the Middle East over the past years have shown time and again that it is impossible to sidestep the self-determination of the Palestinians. Any new proposal that sidesteps this crucial point is like a wheel that turns without touching the ground; the cart does not move forward.

CPPCC Delegation Meets Overseas Chinese
OW151124 Beijing XINHUA in English 0820
GMT 15 Feb 88

[Text] New York, February 14 (XINHUA)—Qian Weizhang, leader of the visiting delegation of the Chinese People's Political Consultative Conference (CPPCC), assured a group of Overseas Chinese here that China will persist in its policy of reform and openness without interruption.

Speaking at a seminar held here this evening, Qian told some 25 Overseas Chinese from various circles that reform in China's countryside has been most successful.

He said in some rural parts of Jiangsu and Guangdong Provinces, per capita income has already exceeded 1,000 renminbi and industrial growth nationwide was as high as 13 percent last year.

This is not to say there are no problems and complexities to solve, he noted. It is precisely due to the existence of problems that reform needs to continue, he added.

He said that industry in coastal areas need to be restructured into being outward-oriented and Taiwan is welcome to invest to the benefit of both sides of the strait.

Professor Qian, vice-chairman of the CPPCC National Committee, said CPPCC is playing an increasing role in the political life in China and he asked Overseas Chinese to feel free to offer their advice and opinions as "consultants to CPPCC."

Among the Overseas Chinese attending the seminar were noble prize winner Wu Chien-Shiung and his husband Dr. Yuan Chia-Liu, former high-ranking Kuomintang General Soong Hui Lien and his wife, Jason Shen and Pokman Leung, adviser and chairman respectively of the New York Association for Peaceful Unification of China, and current liaison of Overseas Chinese organizations in New York Wah Tim Lam.

The seminar was the first major activity of the nine-member Chinese delegation since its arrival here yesterday evening on a 20-day good-will tour of the United States as guests of the National Committee on U.S.-China Relations.

The group includes Vice-Chairman of the China Democratic National Construction Association Wan Guoquan, Shaanxi Foreign Languages Institute President Sun Tianyi, and prominent mathematician Yang Le.

In addition to its four-day stay in New York, the group will visit Washington D.C., Memphis, Austin, San Diego, and San Francisco.

Soviet Union

Soviet 'New Thinking in Foreign Affairs'
HK130828 Beijing JIEFANGJUN BAO in Chinese
7 Feb 88 p 4

[Article by Zheng Qing (6774 4621): "The Soviet 'New Thinking in Foreign Affairs' Faces a Test"]

[Text] The Soviet Union made several unusual military and foreign affairs moves on the Afghanistan issue in January this year. Militarily, the Soviet troops launched an offensive at the Afghan resistance forces to break the

seige of Khost, an important position on the Pakistan-Afghanistan border, and recovered the Kabul-Khost supply line only after suffering tremendous losses. In foreign affairs, the Soviet Union announced that the Soviet Union would pull out of Afghanistan within 12 months, provided that the United States meet the prerequisite of stopping aid to the Afghan resistance forces. The Soviet chief of staff also promised that the Soviet pullout would be complete.

The new Soviet moves on the Afghanistan issue were the result of the Soviet leader's "new thinking." The "new thinking" can be said to be a blueprint for leading the Soviet Union out of the dead end of its aggressive war in Afghanistan, and the Afghanistan issue may be regarded as a showcase for the Soviet Union's application of the "new thinking" to resolving regional conflicts.

The core of the Soviet "political new thinking" is to realize its domestic economic reform and to step up the development of its comprehensive national strength, while the starting point is mainly to contend with the United States for strategic initiative. From the angle of this national strategy, the Afghan war has seriously injured the Soviet image in the world and landed the Soviet Union in passivism. At the same time, long-term war consumption and a series of social problems resulting from the war have become obstacles to Soviet implementation of the strategy of "accelerating development." Although the invasion of Afghanistan has brought some advantages to the Soviet Union in expanding its influence in South Asia, the losses have outweighed the gains on the Soviet balance sheet. According to a Russian proverb, "A good pear in hand is better than a basket of rotten ones." To step up economic development, which is the "good pear," the Soviet Union, which is in a hurry to develop its comprehensive national strength, is willing to throw away some "rotten pears" under the precondition of sacrificing none, or less of its vested interests.

Today's Afghanistan to Soviet eyes is more or less the United States' Vietnam of the past. The example of the United States in the Vietnam War cannot but cause the Soviet Union to have some misgivings. The Soviet Union has all along been very high-sounding about its invasion of Afghanistan, playing it up as an internationalist obligation. As a result, many of the survivors of Soviet officers and men killed in the war are still petitioning for building a public image for the dead. If the Soviet Union should now pull out of Afghanistan, what will become of the much played-up "internationalism"? To make a little detour and to save face for "internationalism", the Soviet Union has recently talked about conditions for its pullout at great length. The real aim of such talks is to whip up public opinion to throw off the burden of its aggressive war in Afghanistan.

However, the core of the Soviet "new thinking in foreign affairs" remains its position of strength. The Soviet diplomatic offensive on the Afghan issue is inseparable from its military offensive. The Soviet troops have

fought hundreds of battles, big and small, since the invasion of Afghanistan but have suffered increasingly greater losses. That is a conclusion that experts in military affairs arrived at long ago. Then why should the Soviet Union have stormed Khost amidst the loud talk of pullout? Obviously its attempt was to reduce by military means the strength of the Afghan resistance forces, to seek a better situation on the battlefield for the Kabul regime, and to prevent a possible military "avalanche," which is likely to immediately follow the pullout of Soviet troops. The Soviet Union has described the offensive as an action by Kabul troops to strengthen the bargaining position of the Kabul administration when they sit down at the table to talk. The attempt is self-explanatory. We may say that the recent action was taken for reasons of diplomacy.

Noteworthy is the fact that while stepping up its military actions in Afghanistan, the Soviet Union has struck a rather flexible pose regarding "political settlement," with the aim of softening the U.S. position. Recently the Soviet Union has repeatedly leaked the information that the Soviet pullout might begin in May and that the whole process might be shortened to 7 or 8 months, provided that the Afghan-Pakistan Geneva indirect talks are successful. Regarding the formation of the Afghan Government, the Soviet Union has retreated from its original stand of linking the Soviet pullout with the founding of a coalition government with the participation of the People's Democratic Party of Afghanistan, stating that the Soviet pullout may begin even prior to an accord on a succeeding government. This not only reflects the Kremlin's intention of retreating from Afghanistan in a hurry, but also shows greater flexibility in dealing with regional conflicts than before. Such flexibility has also found expression in Soviet strategy regarding the Gulf conflict, the Central American situation, and its relations with Israel.

The Soviet Union has uttered many flowery remarks on its "new thinking in foreign affairs," but the most important thing is its actions, for we judge people by their deeds, not just by their words. In this sense, the Afghanistan issue is a test for the Soviet Union.

Northeast Asia

DPRK's Hong Song-nam Meets Trade Delegation
SK130033 Beijing International Service in Korean
1100 GMT 13 Feb 88

[Text] In Pyongyang on 11 February, Hong Song-nam, vice premier of the Korean State Administration Council, met the Chinese Government trade delegation, which had been staying in Korea.

The Chinese Government trade delegation led by Wang Pingqiang, vice minister of foreign economic relations and trade, went to Pyongyang on 5 February. After having friendly negotiations with the Korean side, the delegation signed the Chinese-Korean trade protocol for 1988.

At the meeting, Vice Premier Hong Song-nam, amid an atmosphere of warm friendship, introduced the status of Korea's economic construction to the members of the Chinese Government trade delegation and stated that he would make efforts to implement this year's plans for trade between the two countries.

Vice Minister Wang Pingting stated that he was satisfied with the fact that the two countries of China and Korea could sign the trade protocol this year in a relatively short period of time.

River Navigation Accord Signed With DPRK
OW130044 Beijing XINHUA in English 0847 GMT
12 Feb 88

[Text] Shenyang, February 12 (XINHUA)—An accord on the 27th meeting of the China-Korea Border River Navigation Cooperation Committee was signed here yesterday.

Chief Chinese delegate Lian Chengzhi and chief Korean delegate Li Nam-zong signed the document.

Li and other Korean visitors, who also toured Beijing, Tianjin and Qinhuangdao, left here for home today.

Southeast Asia & Pacific

Commentary Cites Vietnamese Troops in Laos
OW121536 Beijing XINHUA in English 1455 GMT
12 Feb 88

["Brief Commentary: What a Long Hand Hanoi Has Stretched by Cai Ximei—XINHUA headline]

[Text] Beijing, February 12 (XINHUA)—The Thai military command announcement February 8 that its forces had killed 69 Vietnamese troops and injured more than 100 others in a battle on the controversial Thai-Lao borders demonstrates that Hanoi authorities are only paying lip service to the "peaceful solution" of the Thai-Lao border dispute.

The military conflict between Thailand and Laos began last November over an area of about 80 square kilometers between Phitsanulok Province of Thailand and Sayaboury Province of Laos. Both sides claim sovereignty over the area but express their willingness to resolve the dispute through peaceful negotiations.

However, the border conflicts have escalated since the end of last month from attacks by ground troops to bombing from the air. Vietnam not only dispatched troops to advise the Lao side in the controversial area, but went even further by ordering its troops to take part in battles. Thus it became a party involved in the conflict.

A Vietnamese Foreign Ministry spokesman has denied this involvement, but he was unable to explain why bodies of Vietnamese soldiers had been found on the battlefield or why Hanoi would send troops to the Thai-Lao borders, which are far away from Vietnam.

The aggression and expansion policy of the Hanoi authorities is the root cause of the tension in Southeast Asia. Vietnam, which sees itself as the overlord in Indochina, has not only sent thousands of troops to occupy Kampuchea and control Laos, but now it has stretched out its hand to intervene in the dispute between Thailand and Laos.

Hanoi is stretching its hands too far. It would be better advised to withdraw its troops and rebuild its backward and poverty-stricken country.

Hu Qili Meets Vietnam's Hoang Van Hoan
OW121324 Beijing XINHUA in English 0927 GMT
12 Feb 88

[Text] Beijing, February 12 (XINHUA)—Hu Qili, member of the Standing Committee of the Political Bureau of the Chinese Communist Party Central Committee, met here today veteran Vietnamese revolutionary Hoang Van Hoan.

On behalf of the Chinese Communist Party Central Committee and General Secretary Zhao Ziyang, Hu extended greetings to Hoang on the eve of the traditional Chinese Spring Festival.

Hu also expressed appreciation and admiration for Hoang's efforts in promoting the Sino-Vietnamese friendship.

Hoang thanked his Chinese friends for taking good care of him, adding that he feels quite at home in China.

After the meeting, Hu hosted a luncheon for Hoang.

Report on CGDK Cabinet Meeting
HK121410 Beijing RENMIN RIBAO in Chinese
12 Feb 88 p 6

[Report by Liu Aicheng (0491 1947 2032): "Coalition Government of Democratic Kampuchea Cabinet Meeting Hopes Sihanouk Will Continue to Act as President of Democratic Kampuchea"]

[Text] Bangkok, 11 Feb (RENMIN RIBAO)—The Coalition Government of Democratic Kampuchea (CGDK) held a cabinet meeting yesterday urging Prince Sihanouk to continue to act as president of Democratic Kampuchea and saying that Prince Sihanouk would continue to be considered as the president. The meeting also emphasized that the three parties in the CGDK will further strengthen unity and cooperation and continue to resist Vietnam and save the country.

The meeting was presided over by Son Sann, prime minister of the CGDK.

Attending the meeting were Khieu Samphan, vice president of Democratic Kampuchea in charge of foreign affairs, Prince Rannarit, Prince Sihanouk's representative, and eight other CGDK cabinet ministers.

The joint communique from the meeting said that at the meeting Vice-President Khieu Samphan reported his recent meeting with Prince Sihanouk in Beijing, and the participants expressed satisfaction over the outcome of this meeting.

The communique said: "The cabinet meeting hopes and believes that Prince Sihanouk will soon resume his position as president of Democratic Kampuchea. Meanwhile, the CGDK continues to consider him as president of Democratic Kampuchea." It said that "Prince Sihanouk is a great patriot and a well-known Khmer leader who plays a very important role in the current struggle to compel the Vietnamese aggressors to withdraw troops from Cambodia, to establish a liberal democratic regime, and to safeguard the independence, sovereignty, and territorial integrity of Cambodia."

The communique continued: "The meeting summed up the work in the military, political, and diplomatic fields and was satisfied with the achievements made in all these fields by the three patriotic forces of the CGDK and the people of the whole country with the support of many countries in the world."

The meeting called on "all patriotic forces and all the Cambodian people to strengthen their struggles against Vietnamese aggressors on all battlefields until Cambodia is totally liberated." It also called on "all friendly countries to continue to support the Cambodian people in their struggle to resist Vietnam and save the country, and to put further pressure on Vietnam so as to force it to withdraw its troops from Cambodia."

More on Visit by Australian Governor-General

Visits Yunnan

OW131631 Beijing XINHUA in English 1626 GMT
13 Feb 88

[Text] Kunming, February 13 (XINHUA)—Sir Ninian Stephen, governor-general of the Commonwealth of Australia, and his wife today visited the Xiaoshao model farm, which is 40 kilometers away from Kunming, capital of China's Yunnan Province.

Stephen watched the Yunnan improved project of cattles and grassland and called on the technicians of China and Australia in the farm.

The Yunnan improved project of cattles and grassland is the model project of Sino-Australian Technical Cooperation. Beginning in 1983, the project has imported over a dozen kinds of grass with the per hectare yield reaching ten tons.

Mary Grey which was also imported from Australia has got used to the local climate, and the baby cattle born by her and the local cattle may reach 270 kilograms after 18 months, forty percent more than that of the local one.

The guests also visited the man-made grass land and a lab.

Stephen and his wife arrived here from Hangzhou at noon today by special plane in the company of Zhao Dongwan, chairman of the Chinese Government Reception Committee and minister of labor and personnel.

He Zhiqiang, Governor of Yunnan Province, greeted the Australian guests at the airport.

Concludes Visit

OW161000 Beijing XINHUA in English 0935 GMT
16 Feb 88

[Text] Guangzhou, February 16 (XINHUA)—Sir Ninian Stephen, governor-general of the Commonwealth of Australia, and his wife wound up their week-long state visit to China and left here for home this morning.

Before Stephen's departure at Guangzhou Airport, Chinese Minister of Labor and Personnel Zhao Dongwan conveyed to him a telephone message from Chinese President Li Xiannian in Beijing.

In the message, President Li and his wife Lin Jiamai extended greetings to the Stephens, congratulating them on their successful visit to China.

Li said that Stephen's visit had helped further mutual understanding and friendship between the two countries and would promote Sino-Australian friendly cooperation.

Stephen agreed that his visit would promote the friendly cooperation between the two countries.

He also asked Zhao to pass a letter of thanks to the Chinese president.

In his letter, Stephen expressed admiration for the enthusiasm and industriousness of the Chinese people shown in their drive to modernize China.

He said that there are broad prospects for the friendly relations between Australia and China.

Roundup of Philippines Post-Election Situation

OW160123 Beijing XINHUA in English 1243 GMT
15 Feb 88

["Roundup: Post-Local Election Political Situation in Philippines (by Zhai Shuyao)"]—XINHUA headline]

[Text] Manila, February 15 (XINHUA)—Up to today, the election for local government officials in the Philippines, which started from January 18, has been completed in all parts of the country except for the southern

island of Sulu, where Muslims live in compact communities and polls have been postponed due to intense rivalry among political families and groups.

After a month-long votes canvassing, the watchdog Commission on Elections reported today that the 4 major political parties composing the ruling coalition in the Philippines have garnered nearly 90 percent of the more than 16,000 local seats, bitterly contested by more than 160,000 candidates in the 45-day bloody political campaign during which more than 130 deaths and scores of kidnapping incidents were reported.

The two largest political parties in the ruling coalition supporting President Corazon Aquino, the alliance of the Partido Demokrata ng Pilipinas and Lakas ng Bayan (PDP-Laban) and Lakas ng Bansa (People Power Movement), has won more than 60 percent of the local seats, that is, at least 50 of the 73 seats for provincial governors and 40 of the 60 cities' mayoral seats.

The Liberal Party (LP), another political party in the ruling coalition, fielded its own candidates during the election and is now taking an opposition stance. The party is under the leadership of Senate President Jovito Salonga and has won about 15 seats for provincial governors and 12 of the city mayoral seats; this is considered to be a substantial success as the party does not have many candidates who were already in power.

The United Nationalista Democratic Organization (UNIDO) of Vice President Salvador Laurel performed poorly, indicating the declining political fortunes of the Laurels, a traditional political family in the country.

The opposition Nationalista Party (NP) of Senator Juan Ponce Enrile obtained only one or two provincial seats during the election. It showed Enrile's difficulty in regaining his political clout, which he lost after losing his post of defense minister in November 1986.

For the past 2 years, local officials had been appointed and not elected. The Aquino administration had changed those local officials reputedly loyal to former President Marcos through appointing officers-in-charge (oic).

The Commission on Elections said 60 percent of the appointed officers-in-charge who ran in the last polls were elected for a new term of 5 years. Naturally, they will remain supporters of the Aquino government.

The outcome of the local election could be considered as a preview (of) the possible political battles in 1992, when the next presidential election is held. The political parties virtually established their respective political machineries in the grassroots level during the local election.

Although the Aquino administration has firmed up its hold on political power after the local election, political observers here noted, the results of the election have also indicated some disturbing signals for the government.

Firstly, serious political realignments have been taking place since the local election which could result in forming two major groupings within the ruling coalition, namely, the PDP-Laban-Lakas alliance versus the Liberal Party. The UNIDO and the NP will have to join either of the two or they will end up as the third forces.

The Liberal Party has won much lesser seats compared to those won by the PDP-Laban-Lakas coalition, but it is one of the two major political parties under the pre-martial law regime before 1972.

Liberal Party leader Salonga has stated that his party will adopt a policy of cooperation but not subversion in dealing with the administration. This signals the party's distancing from the ruling coalition.

In a related development, 11 senators close to the President have formed a 'progressive bloc' in the 23-man Senate in what appeared to be a move against Senate President Salonga.

The rift among the parties in the ruling coalition since the local election has become the focus of attention here.

Another feature of the local election is the participation and defeat of presidential relatives, including the defeat of Victor Sumulong, the President's cousin, in the thickly populated province of Rizal, and the failure of Mila Aquino-Albert, the President's sister-in-law, in running for Quezon City mayor.

Thirdly, known right-wing military officers, perceived as coup plotters, surprised the ruling coalition by winning in the local polls in some areas.

Colonel Rolando Abadilla, who is being held in a military detention camp in connection with his alleged complicity in several military coups against the government, won a vice-gubernatorial seat in the northern province of Ilocos Norte, the home province of ousted President Ferdinand Marcos.

Colonel Rodolfo Aguinaldo, who was involved in the August 28, 1987 coup, won as governor of Cagayan Province, the home province of Enrile.

Political analysts here pointed out that following up its victory in the local election, the Aquino government will have to address itself to those disturbing trends before it could close ranks and focus on the implementation of its comprehensive economic development program.

Near East & South Asia

Iraq's Foreign Minister to Visit 21 February
OW131306 Beijing XINHUA in English 0809 GMT
13 Feb 88

[Text] Beijing, February 13 (XINHUA)—Iraqi Deputy Prime Minister and Minister of Foreign Affairs Tariq Aziz will arrive in Beijing February 21 for a visit to China at the invitation of State Councillor and Foreign Minister Wu Xueqian.

This was announced by a Foreign Ministry spokesman here this afternoon.

West Europe

Zhang Boxing To Attend Spanish CP Congress
*OW151548 Beijing XINHUA in English 1545 GMT
15 Feb 88*

[Text] Beijing, February 15 (XINHUA)—Zhang Boxing, representative of the Chinese Communist Party (CPC) and member of the CPC Central Committee, left here this evening for Spain to attend the 12th Congress of the Spanish Communist Party at the invitation of the party.

Cultural Cooperation With Portugal Endorsed
*OW130731 Beijing XINHUA in English 1306 GMT
12 Feb 88*

[Text] Lisbon, February 11 (XINHUA)—China and Portugal will hasten cultural cooperation in the coming years following the signing of a program for 1988-1990.

The program was endorsed Thursday in the Portuguese Foreign Ministry.

According to the program, both sides will cooperate in culture, art, science, education, journalism, sports and exchange of students.

XINHUA Roundup Reviews EC Summit
*OW132226 Beijing XINHUA in English 1444 GMT
13 Feb 88*

["Roundup: EC Summit Ends With Welcomed Compromise" by Zhang Jiansheng—XINHUA headline]

[Text] Brussels, February 13 (XINHUA)—The European Community (EC) leaders clinched a compromise here early today over the bloc's wide-ranging financial reform plan, thus clearing both financial and political blocks that have laid in its way toward 1992.

The reform package, dubbed "Delors plan," was designed to inject new financial resources to the 12-member bloc in order to fuel the completion of a single European market targeted for 1992.

The compromise, reached after 36 hours of almost non-stop discussion over the past two days, was principally in consistence with the reform package which had crashed two consecutive summits since it was raised last February by the group's executive commission.

Addressing a press conference after the compromise was reached, Federal German Chancellor Helmut Kohl, who chaired the two-day special summit, said, "we have put the EC on a solid financial basis."

"We have our hands free to build the Greater European market of 320 million people (by 1992). We don't want merely an improved free-exchange zone, we want an Europe which speaks with one voice," he said.

With each of the 12 member states having softened its line on various points, the compromise emerged as a symbol of a united Europe.

As a result, structural funds, or development aid to deprived regions in the community would be a little more than doubled from 6.9 billion ecus (1 ecu; 1.21 USD) in 1987 by the year of 1993 against the original target of 1992 of the Delors plan.

The increase in farm expenditure, which was at the heart of much of the community quarrels, was set at 74 per cent of the groups' GNP (gross national product) growth rate with a reference basis of 27.5 billion ecus this year. Plus the cash out laid for paying farmers to take land out of production, this increase will be equal to 80 per cent of the GNP growth.

The so-called [words indistinct] over-production, had been the hardest nut throughout the meeting. Britain and the Netherlands [passage indistinct] a decision of the 1984 Fontainebleau summit which had gravely antagonised London against Bonn, was allowed to continue under the compromise. This was widely believed to be the catalyst of Britain's softened stand on such key issues as the threshold for cereal production and increase in the structural funds.

By concluding the two-day summit with the long-awaited compromise, the community has settled its major family quarrels. To the commission, the father of the reform package, this is by all means a welcomed progress' [passage indistinct] face of the world."

Article on Zhao, Reform; Closure of HONGQI
HK121411 Hong Kong CHING PAO in Chinese No 127,
10 Feb 88 pp 13-17

[Article by Chuang Ming (8369 2494): "Zhao Ziyang's Sense of Crisis Regarding Reform, and a Bitter Fight Involving the Closure of HONGQI"—first paragraph in boldface as published]

[Excerpts] The decision on closing HONGQI has been impeded, and the Central Political Bureau has decided again: "Whatever happens, HONGQI must be closed in April." Deng Xiaoping recently called in Bo Yibo, and two passages of Deng's remarks contain much food for thought. Zhao Ziyang said: "We should make clear the purpose and main theme from the very beginning of the year that 1988 is a year of reform. With much work to be completed, the first priority must be given to reform." The remarks were uttered out of his sense of crisis regarding the Chinese economy. According to an analysis made by some people, localities took a lead in resisting the campaign of "eliminating spiritual pollution," and "opposing bourgeois liberalization." This has shown that the strength of the conservatives has been weakened in various provinces and cities. In January, two discussions attended by people from literature, art, and theoretical circles were held in Beijing. All of the participants expressed the same view without prior consultation: There are eight "freezing points" (the eight intellectuals who were purged) in the ideological field. If the eight "freezing points" do not disappear, it will be impossible for intellectuals to bestir themselves. [passage omitted]

A Decision Has Been Made To Officially Close HONGQI in April [subhead]

In early December of last year, the Political Bureau of the CPC Central Committee decided to close HONGQI. The decision was announced by Rui Xingwen, member of the CPC Secretariat, in the Central Propaganda Department. However, due to the interference of a powerful old guy, only 3 days after the announcement of the decision, Hu Qili was compelled to issue an instruction on "postponing the implementation of the decision." A three-man coordination group was established, and HONGQI was allowed to deal with problems arising from its closure for a period of 6 months. However, at the beginning of this year, HONGQI's Editorial Department acted as though it had the power to save a desperate situation and prolong life. Efforts were made to publish tables of contents, solicit articles, and distribute materials widely among its "loyal readers." This truly confused the mass media both at home and abroad. In January 1988, the CPC Central Committee Political Bureau held another meeting to make the decision that "whatever happens, HONGQI must be closed in April." The decision has been conveyed to cadres at the department head level. [passage omitted]

Zhao Ziyang's determination to dismiss HONGQI is reflected in his sober understanding of the political structure of the CPC since the 13th CPC National Congress. Some people have criticized Zhao Ziyang for his failure to learn from the lesson of Hu Yaobang's immature political stratagem. Moreover, others have criticized Zhao for his practice of following Hu Yaobang's style of being irresolute and hesitant. Since the 13th CPC National Congress, a political situation in which the reformist faction occupies a dominant position has been created. A mere rustle of leaves in the wind will lead to the revival of dying embers. This has been shown by the strong resistance to the decision to close down HONGQI. The present situation is even worse because HONGQI is not yet a dying ember, it is still a burning light.

With the closure of HONGQI, theoretical front of the conservative forces, the conservative faction will be like a host of dragons without a head. Since this will be helpful rather than harmful to reform, why not go ahead with it? However, we should pay attention to the following trend of development. The Central Organization Department has recently selected four cadres from HONGQI and transferred them to several provinces and cities to take up the posts of secretary general, deputy secretary general, or head of an organization department. A whole group of cadres was transferred to a lower level, where they will no longer write but rather will engage in administrative work. What effects will this have on the provinces and cities to which they have been assigned?

After losing an election in the 13th CPC National Congress, Deng Liqun failed to appear on public occasions for a long time. However, in January he appeared twice on television. He was seen attending a memorial meeting for Jiang Chunfang, editor in chief of the GREAT ENCYCLOPAEDIA. On another occasion, he was shown being seated in the front row of the rostrum of a national conference attended by representatives of workers and staff members. XINHUA and RENMIN RIBAO did not report the appearance of Deng, who is now only a member of the Central Discipline Inspection Commission. Although the common people complained about the unusual television coverage, they realized that this was a trend that should not be neglected.

At present, conditions are ripe for the reorganization of the Central Propaganda Department and the State Media and Publications Office. However, Zhao Ziyang has not taken immediate action. It seems that there is something that he should consider.

Two Conversations That Attracted People's Attention [subhead]

After the 13th CPC National Congress, two remarkable conversations were revealed by some CPC senior cadres.

When Deng Xiaoping called in Bo Yibo, he reportedly said the following: "Veteran comrades should support reform. Without reform, there is no way out for us. There is no way out for our party and state. Retrogression will not work." He added: "Veteran comrades should overcome their ossified minds. We know that Deng Liqun did well in emancipating his minds during the Third Plenary Session. But since then he has become more and more conservative and his mind more and more ossified. He has now become a very conservative guy."

When Deng Liqun called on Chen Yun, they had the following conversation:

Deng Liqun said: "Why did Bo Yibo change matters that we had discussed (on the eve of the 13th CPC National Congress)?"

Chen Yun answered: "I never cooperated with this guy." [passage omitted]

Zhao's Ability To Keep the Situation Under Control
[subhead]

After Anhui Provincial Party Secretary Li Guixian sharply and ruthlessly criticized older cadres for seeking power, Liaoning Provincial Governor Li Changchun also uttered the following remarks: "Organs that are not beneficial to reform should be resolutely abolished. Concepts that are not beneficial to reform should be resolutely changed. Things that are not beneficial to reform should resolutely not be done. Rules and regulations that are not beneficial to reform should be resolutely discarded. Cadres who are not helpful to reform should be resolutely dismissed and replaced. Officials who do not accomplish anything of significance should also be resolutely transferred." The adverb "resolutely" is used six times. Liaoning Province has always criticized itself for not "making significant contributions and for being influenced by the leftist line." It has said that it is backward when compared to Guangdong. Actually, Liaoning has grasped reform very firmly. Shenyang has taken the lead in enacting the "bankruptcy law" and implementing the "factory director responsibility system." Ren Zhongyi, former provincial governor of Guangdong, was transferred from Liaoning. Shandong Province also held a recent meeting on boldly carrying out reform. The situation in several southeastern coastal provinces and cities that Zhao Ziyang visited recently is also changing very rapidly.

Some people compare the situation since the 13th CPC National Congress with that during the campaign of "eliminating spiritual pollution" and "opposing bourgeois liberalization." Since the 13th CPC National Congress, the policy of the central authorities has been supported by localities. It was also the local authorities who took the lead in resisting the campaign of "eliminating spiritual pollution" and "opposing bourgeois liberalization." Although they outwardly followed those

empty concepts, they refused to yield even an inch with regard to specific economic interests. This means that after 10 years of reform, a new stratum of interests [li yi 0448 4135] formed in China. The interests include both material and spiritual interests. This stratum involves individual laborers, entrepreneurs, and scientific and technical personnel who are involved in practical work, some theoretical workers in the field of social sciences who have opportunities to participate in or discuss political and government affairs, and new bureaucrats. The new bureaucrats, who are promoted in accordance with the criterion of "four transformations" are an important group in the existing hierarchy of China. In the past, newly promoted cadres used to follow what their predecessors had done. However, the new bureaucrats refuse to do this. This has greatly weakened the continuity of the conservative forces in various provinces and cities. The old and new factions hold identical view on negating the leftist ideas of Mao Zedong during the "Cultural Revolution." However, they hold divergent views on Stalin's pattern followed during the "17 years" before the Cultural Revolution. Some political old guys advocate the restoration of the practices of the "17 years." However, the new bureaucrats do not want to restore the pattern of Stalin. With Deng Xiaoping's resolute support at the top and the strong support of local bureaucrats at the bottom, Zhao Ziyang has the ability to keep the situation well in hand.

Zhao's Sense of Crisis Regarding the Economy [subhead]

At the ceremony to hand over the premiership held in the Purple Light Pavilion in Zhongnanhai on 12 December of last year, Zhao Ziyang said: "We should make clear the purpose and main theme from the very beginning of the year that 1988 is a year of reform." The remarks were uttered out of a profound sense of crisis regarding China's economy. Reform is the only way to handle crisis. Reform is also the only countermeasure.

Since the founding of the People's Republic, China has always bragged about its policy of high accumulation. However, Liu Liqun, a young economist, has negated the policy. He has produced data to show that China is actually a country of low accumulation. Some 30 years ago, the accumulation rate of Japan was 35 percent higher than China. Otherwise, Japan would not have been able to build so many large iron and steel complexes. In the 1950's, China's accumulation rate was 24 or 25 percent. In the last 10 years it has increased to about 30 percent. In 1987 it increased to 33 percent. However, after deducting the price index factor, the actual accumulation rate was still under 30 percent. In that year Japan's accumulation rate was 33.37 percent. Liu Liqun has come to the following astonishing conclusion: With the present economic development, China is actually exhausting its potentials. China has experienced two population booms. The first boom occurred in the 1950's, when China's population increased by 100 million. The second boom occurred in the period between 1962 and 1975, when China's population increased by

300 million. During the "First 5-Year Plan" period, China implemented a policy of low demand and high accumulation. Although development was very rapid and the supply was cheap, the standard of living of the Chinese was not markedly enhanced because all the gains were consumed by the population growth. According to population statistics, at that time there was an average of five children per family. In the last 10 years, the accumulation rate has been lowered and the consumption fund has been increased. Great changes have taken place in the population situation. Those born during the two population booms have become the labor force. The burden for supporting the old and the young has thus been lightened. The present situation is that two adults support a dependent child. However, if this situation remains unchanged for a long time, China will exhaust its potential. The present rapid economic development is sustained by "two main factors." One of the factors is the people who were born during the two population booms and who now make up the labor force. Such rapid economic development in China can only continue for another 20 years, because when these people become old and retire on pensions, society will bear a heavy burden. At that time, every person will have to support two dependents (one old person and one child). China's economic growth rate will be lowered, unless it succeeds in joining the ranks of developed countries.

The Crux of the Problem of Commodity Prices in China [subhead]

Zhao Ziyang has paid close attention to the problem of commodity prices. It is also the thorniest problem in the course of reform and opening up.

Price reform has been carried out in China for 9 years, and commodity prices have increased by 950 percent. A large number of enterprises complain that they are suffering from the price increases in raw and processed materials. They, in turn, increase the prices of their own products. The immediate victims are the common people. In 1987, the actual incomes of some two-fifths of the urban and rural residents dropped, and some 15 percent of the urban and rural population was unable to make both ends meet. The other victim is the state. The price subsidy provided by the state every year has amounted to 30 billion yuan per year. However, the state can only obtain 3 yuan for every 100 yuan price increase.

According to official explanations, the price increases have resulted from that fact that total demand has exceeded total supply. Young scholar Wang Juntao has made a penetrating analysis of this issue. He maintains that the fact that the structure of total social demand is different from that of total social supply is the reason for the increase and fall of the prices of some products. Why do the Chinese people only stress price increases and say nothing about price decreases? It is because the prices of goods that they need have increased, and only the prices of goods that they do not need (unmarketable goods) drop. A large number of state-operated enterprises in

China have a very strong production capability, but the products they manufacture are not marketable. Most enterprises in Wuhan City do not worry about credits, but marketing is a headache for them. Some 60 percent of the enterprises in the machine-building industry are on the brink of bankruptcy. Some enterprises engaged in the manufacturing of cars and bicycles have gone bankrupt. Their means of production is left unused. Therefore, it is more practical to say that the "effective social supply in China does not conform to the total demand."

There are two reasons contributing to this situation. First, the production setup in China is irrational. As a result, it is difficult to straighten out commodity prices. Second, the interests of enterprises are not legally protected. Entrepreneurs are not vested with decisionmaking power for handling manpower, material, and financial resources. Although commodity prices have increased, enterprises can only obtain very small interests. They have no power in their hands. Therefore, they do not consider long-term interests, but only see what is under their noses. Enterprises in China have no right to transfer their capital. The freeing of commodity prices has not been turned into essential factors of production. A large quantity of capital has not been rationally transferred from poorly managed enterprises to well-managed enterprises. In addition, banks in China have only played a financial supervisory role for a long time. Actually, they are only a financial police. Their capability of raising funds far from meets the demands of the rapid development of those enterprises badly needed in society. They also are unable to curb the development of those enterprises that are not needed in society. Therefore, freeing commodity prices in China has not been regarded as a lever for stimulating production.

Some people say that the second industry in China, which was established during the period of "surpassing Great Britain and catching up with the United States," is like a heavy iron roller. Although it has abundant fixed assets, large investments, and the technical capability of its workers is strong, its labor productivity far from meets the demand. It is only when its products are fully accepted by the market can we straighten out the production setup and commodity prices in China.

People in the economics field do not think highly of the "Enterprise Law (draft)," which is to be discussed and approved at the Seventh NPC. They maintain that the law only considers some important questions occurring in the present stage of development of Chinese enterprises. There are many principled rules and regulations contained in the law, but substantively its contents are meager. For example, it lacks explicit stipulations governing the establishment of enterprises under perfect market mechanisms, enterprise registration, the legality of enterprises, and so on. Strictly speaking, it is a policy for a certain period of time, rather than a law.

Strategy for Development in the Coastal Areas [subhead]

During the second half of November last year, after visiting Shanghai and Jiangsu, Zhao Ziyang started his inspection tour in several southeastern coastal provinces. His purpose was to deal with the issue of the development strategy for the coastal areas, and to effect as early as possible an economic take-off in these areas of 200 million people. During the inspection, he carried with him a report drafted by the State Planning Commission on coastal areas participating in the big cycle of the international economy. He wished to prove the feasibility of the report. This was widely publicized by the mass media, which seems to have become active in 1988. "The big cycle of the international economy" suddenly became a common topic of conversation throughout the country. The idea was proposed by Wang Jian, a 33-year-old associate research fellow of an economic institute under the State Planning Commission. Wang has become a popular figure because of this idea.

From late December last year to early January this year, Zhao Ziyang again made an inspection tour of Zhejiang, Fujian, Shanghai, and Jiangsu. After completing the tour of the southeastern coastal areas, he again put forward important opinions on the strategy for economic development in the coastal areas. This showed that he accepted the idea of the coastal areas marching into the international market.

The idea on "the big cycle in the international economy" is based on an analysis of the mature conditions and contradictions of China's industrial modernization. This is in line with Zhao Ziyang's sense of crisis. The characteristic of China's production setup is that industrialization is developed at the expense of agriculture. At present, although China's economic foundation is good, it should be upgraded. But a backward agriculture stands by the side of industry. Some 800 million people rely on spades and donkeys to feed themselves. During the next stage, China should manufacture high-grade products. What it needs most is funds, including foreign exchange. Some people say that China will enter a very difficult period at the end of this century. It is because in 1992, China must repay its debts. At present, reform of the second stage is being deepened in the rural areas of China. The aim of the reform is to readjust relations between the urban and rural areas to ensure still greater development in the rural areas and towns and township enterprises. This indicates that a large quantity of rural surplus labor force will be transferred to the urban area. It is expected that by the end of this century, the rural labor force, totaling 180 million, will be transferred to the urban areas. In addition, there are 30 million workers in towns and cities. In other words, the labor force in China totals 210 million. The transfer of each and every worker is followed by a certain amount of fixed assets. Both industry and agriculture in China severely lack funds. This is known as the "two difficulties" in the Chinese economy. Wang Jian's strategic idea of letting those southeastern coastal areas participate in "the big cycle of the international economy" is aimed at taking the opportunity of the present world-wide production

transfer to let the rural labor force in those areas occupy the large market left over by Taiwan and South Korea. On the one hand, this will help solve the problem of surplus rural labor. On the other hand, China will earn more foreign exchange from the international market, and get funds and technology needed for the development of heavy industry. The funds accumulated by heavy industry will in turn support agriculture. This means promoting circulative relations between agriculture and heavy industry by using the changes in the international market. This is fully in accord with Zhao Ziyang's policy of putting the focus on the development of town and township enterprises.

Zhao Ziyang's strategy for the economic development of the coastal areas will be beneficial to integrating China with the world economy. This shows that the decision makers of the CPC have a newer concept and have become more open-minded. Although this was caused by the difficult situation of the reform in China, it is a matter of profound significance to the emancipation of the mind.

The Plan for Political Structural Reform Will Be Submitted to the NPC [subhead]

Zhao Ziyang has also paid close attention to political structural reform.

At present, the plans for institutional reform and the reform of the personnel system have been completed. The central organs must reduce two thirds of their departments and half of their working personnel. In addition, the Ministry of Labor and Personnel will be divided into the Ministry of Labor and "Civil Servant Administrative Commission."

The reform of the personnel system of enterprises has been put on the agenda. During the first phase of the reform, the factory director responsibility system is limited to the separation between operational power and ownership power. Factory directors are vested with the power to deal with the administration of funds and day-to-day production. They are, at most, vested with the power to determine the varieties of products and the buying and selling of raw and processed materials. With the deepening of the reform, factory directors will be vested with the power to allocate "manpower, financial resources, and materiel" in a unified way. Two measures will be taken to ensure the smooth progress of the reform: 1) Various central ministries are no longer able to strictly control enterprises because of the streamlining of their organs. 2) Party committees of enterprises are led by local party authorities. This will nullify the party administrative system from above to below.

As long as the medium-sized and large enterprises can continue to make progress in their reforms, there will be hope for straightening out China's production setup, particularly for improving the mechanisms of enterprises. Of the various Chinese enterprises it has contacted,

the World Bank believes that the No 2 Automobile Factory is the only large enterprise in China prepared to deal with the rapidly changing situation, and could analyze well the international market in future years. If enterprises like the No 2 Automobile Factory can play a still greater role, China's capability in manufacturing a large quantity of automobiles will be effectively enhanced. With more automobiles rapidly manufactured, the automobile market in China can be stabilized.

The NPC does not govern the reform of the party cadres system. Therefore, it is treated as a separate item.

Ensuring the relative independence of the mass organizations is an important content of the political structural reform. As early as last March or April, Zhao Ziyang said: "Mass organizations must not be run by the government. Otherwise, we cannot rely on them when something has happened." Over the past year, trade unions have become more active. This is the direct result of the pressure put on them by workers after the forming of interest groups in society. Comparatively speaking, intellectuals are closer to propaganda and the mass media, but workers and peasants are far from them. In addition, with the implementation of the factory director responsibility system, workers do not trust their factory directors very much. Objective conditions have compelled workers to rely on their trade unions to strive for their own interests. At a meeting on commodity prices jointly held by a score of departments, the All-China Federation of Trade Unions was the only "ally" of the State Administration of Commodity Prices. It spoke on behalf of workers and staff members to resolutely oppose price hikes.

Strengthening the links between the party and the various strata of the society through mass organizations is a means and way adopted by the CPC to promote a comparatively relaxed ideological atmosphere in 1988.

"Freezing Points" in the Ideological Field [subhead]

It has been reported that Rui Xingwen held two meetings in January attended by people from the literature and art and theoretical fields. All the participants took the same view without prior consultation that there were eight "freezing points" in the ideological field; namely those eight intellectuals who were purged in two groups. If these eight "freezing points" do not disappear, it will be impossible for intellectuals to arouse themselves. Last August when Chinese woman writer Zhang Jiewas interviewed by reporters in northern Europe, she aired her views on the campaign of "opposing bourgeois liberalization." She held that expelling Liu Binyan from the party "was the mistake of the party, but not a mistake of Liu Binyan." This was reported to the Chinese authorities. On 12 December at a meeting of the Presidium of the Writers' Association, poet Shao Yanxiang criticized the antithesis between the officials of the Central Propaganda Department and the broad masses of literature and art workers in 1987. She stressed that the key to

solving this problem lies in improving the party leadership system and methods for dealing with social organizations. She maintained that Liu Binyan was a writer who made the greatest contribution to the building of socialist spiritual civilization since the 3d Plenary Session. After Shao Yanxiang made her speech, He Jingzhi wrote a letter to Deng Xiaoping, Zhao Ziyang, and Chen Yun, saying that at the meeting of the Presidium of the Writers' Association, "Wu Zuqing tried to reverse the verdict on Wu Zuguang, and someone intended to reverse the verdict on Liu Binyan."

This shows that some people still regarded these eight "freezing points" as sources for producing a cold current in the literature and art and theoretical fields.

Early this year, Hu Qili made a speech in Shanxi aimed at making literature and art prosper. When concluding his speech, he said the following: "We have always reminded two groups of comrades. The first group consists of those comrades who fail to keep pace with the reform and opening up. The second group consists of comrades who often go beyond the limit when uttering their remarks, or offend other people." He added: "Under certain circumstances, if bourgeois liberalization becomes a striking problem, we cannot but concentrate our efforts on solving it. Even when we are doing so, we should on no account neglect the long-term task of overcoming ossified thinking." This was allegedly Zhao Ziyang's comment on the meeting of the Writers' Association. It showed that Zhao Ziyang took exception to the way for thawing the eight "freezing points" proposed by the Writers' Association [passage omitted].

Zhao Supports Contract Responsibility System
OW131105 Beijing XINHUA Domestic Service
in Chinese 1357 GMT 12 Feb 88

[By RENMIN RIBAO reporter Zhang Guorong and XINHUA reporter Xu Yaozhong]

[Text] Beijing, 12 Feb (XINHUA)—This morning at the Qinzhen Hall in Zhongnanhai, Zhao Ziyang, general secretary of the CPC Central Committee, met with some of the representatives attending the national forum on the contracted enterprise managerial responsibility system and expressed important opinions on the question of coordinating with, making perfect, deepening, and developing this contract system. He pointed out that an important task in popularizing the contract system this year is to introduce the mechanism of competition, and that the contract system coupled with competition will have an immense motivating force.

Zhao Ziyang said: We should not overrate what we have now achieved in holding competitive bidding. Enterprises that have truly held competitive bidding are still few in number. Some have done this in name only, but not in reality. Now, there exists a great untapped potential for implementing the contract system. Enterprises should implement this system if they have not done so,

and short-term contracts should be changed into long-term contracts. In the meantime, the mechanism of competition should be introduced into this system. This is where the great untapped potential exists. What we did last year to introduce the contract system was only a beginning. We should strive for conspicuous results this year and great accomplishments next year.

Speaking on the need to fully arouse the initiative of the staff members and workers in implementing the contract system, Zhao Ziyang said: In my congratulatory message to Comrade Li Zhengzhi, I mentioned three times the question of giving play to the workers' initiative. My intention is to emphasize this question. We should stress the authority of plant directors on the one hand and enable the workers to play their role as masters on the other. We should make the workers feel that they are working for themselves. This year we should sum up and probe the issues in this regard, such as how to change the system from contracting the enterprise to the plant director to contracting it to all staff members and workers and how to have all staff members and workers, rather than the plant director, undertake the risks in operating the enterprise. In this way the plant director will not find himself in an isolated position and will be better able to exercise his authority. Only when all staff members and workers are shouldering the responsibility and when the plant director's duty, authority, and interests have become the intention of all staff members and workers can the contract system be implemented successfully. This is a question that we should study and resolve in the course of practice this year. To sum up, there are two questions that should be further studied and resolved: One is that most enterprises have as yet to introduce the mechanism of competition. The other is how to make the plant director's contract more dependent on all staff members and workers.

In conclusion, Zhao Ziyang said: This year's work in popularizing the contract system is to coordinate with, make perfect, deepen, and develop this system. We should proceed according to this principle, and great results will be achieved in the next few years. This work is of utmost importance to the economic situation and the whole reform program of our country. It is an act affecting the whole situation. The coming 2 years are very important. We should grasp this work without the slightest wavering. This year is a year when our experience will become richer. We will gain experience in formulating subsidiary measures to coordinate with the contract system and in perfecting, deepening, and developing this system. It is right not to make too early of a proposal for the standardization of this system. This year is a year when we will receive more remarkable benefits and will have richer experience. I hope that all comrades will play a leading role in making new contributions.

Responsible persons of the departments concerned present at the meeting are comrades Wen Jiabao, Zhang Jingfu, Lu Dong, An Zhiwen, Yuan Baohua, Zhang Yanning, and Dong Shaohua.

Li Peng Pushes Contract System at Forum
OW130541 Beijing XINHUA Domestic Service
in Chinese 1228 GMT 12 Feb 88

[By RENMIN RIBAO reporter Zhang Guorong and XINHUA reporter Xu Yaozhong]

[Text] Beijing, 12 Feb (XINHUA)—At today's national forum on the enterprise management contract responsibility system, acting Premier Li Peng said: The central authorities have already formulated the policy for doing economic work in 1988; that is, to further stabilize China's economy, deepen reform, and let reform assume control of the overall situation.

Li Peng said: With regard to this year's economic work, the State Council has already made arrangements. Full attention must be made to the following major tasks:

1. To stabilize the economy, we must stabilize commodity prices. In this connection, we must do a great deal of work. To tackle this issue, we must study the new situations and work out new measures. The key to achieving this goal lies in doing things according to the law of value and adopting comprehensive supportive measures. We must adopt measures that not only are conducive to developing production but also appropriately make up the losses incurred by the people in their livelihood.
2. We must resolutely administer the strategy for economic development in coastal areas. This is of great significance in further quickening our pace in carrying out reforms and opening to the outside world. Under no circumstance should we bungle the chance of achieving our goal.
3. We must continue to vigorously promote the enterprise management contract responsibility system.
4. We must resolutely adopt measures to strictly control consumer spending of social groups; practice economy and reduce expenditures; alleviate pressure on the market; and combat unhealthy tendencies of extravagance and waste.

The national forum on the enterprise management contract responsibility system began on 9 February in Beijing. During the forum, Zhao Ziyang, general secretary of the CPC Central Committee, held talks with some of the representatives attending the forum and made an important speech. The forum concluded today. Attending today's session were Yao Yilin, Bo Yibo, Zhang Jingfu, and others.

Li Peng pointed out: Last year's economic situation was fine. The overall implementation of the enterprise management contract responsibility system has not only greatly improved economic results and promoted reforms in enterprises but also supplied stimuli and created conditions for reforming the economic structure.

The implementation of the contract system has made a breakthrough in separating ownership from management. These remarks epitomize the general appraisal made by the central authorities of last year's economic situation and economic structural reform. They also reflect the distinct affirmation of the central authorities of the implementation of the enterprise management contract responsibility system. He said: Our experience in carrying out reforms in the past several years, particularly last year, proves that the contract system conforms to China's actual conditions and the realities of Chinese enterprises. After the implementation of the contract system, the system links the interests of the enterprise, manager, and staff closely with the economic results. Everyone works hard to improve results in managing the enterprise. Thus, enterprise potential has been tapped, technical advance ensured, and product mix readjusted. The pace of developing industry was fairly high last year, and most of the industrial products were readily marketable. There was no sign of overstocking or waste. This was tremendous progress. The contract system also helps develop the campaign to increase production, practice economy, raise revenues, and reduce expenditures; it also taps the potentials of the enterprises.

Li Peng said: In reforming our economic structure in an overall manner, we must focus on invigorating enterprises, particularly the large and medium-sized enterprises, and improving economic results. Practice has taught us: To solve many contradictions and surmount difficulties in China at the current stage, we must, in the last analysis, rely on the improvement of industrial results; and to improve industrial results, we must rely on the management contract system. We must concentrate our efforts, painstakingly provide guidance, and try to improve the enterprise contract system within the next 2 to 3 years.

Li Peng said: We have not promoted the contract system for very long or in a balanced and overall manner. There are many problems and contradictions to be solved. The year 1988 will be a year in which positive results in implementing the contract system will be distinctly shown. Although our tasks remain arduous, we have many favorable conditions. People's understanding of the reform policy has become quite unified. A series of decrees and regulations including the "Enterprise Law" and the "Regulations on Contracted Responsibilities" will be adopted and promulgated so that the external conditions for assuming and delegating contracted responsibilities will be further improved. The implementation of the contract system is mainly aimed at straightening out the relations between the state and the enterprises, but that does not mean the rationalization of the relations among enterprises. We still need to expand the scope of contracted responsibilities, introduce competition into the enterprises, extensively adopt the factory director responsibility system, and carry out reforms in the institutional, personnel, labor and distribution systems of enterprises. We must bring about technical progress, and help enterprises enhance their reserve

strength. Where conditions permit, the "full-load operation method," enterprise-run banks, and other effective and modern managerial methods should be instituted. Enterprises, in which conditions do not permit, must also strive to create conditions for instituting such good methods and shift from extensive management to intensive management. Meanwhile, experiments should also be carried out in such managerial forms as leasing, property rights transfer, shareholding, joint ventures and cooperative management.

Li Peng said: In order to do a good job in carrying out such work, we need a group of highly qualified talented people with managerial expertise who will boldly implement the reform policy. We must adopt various forms to strengthen the training of qualified people to meet the requirements in carrying out reform. Meanwhile, we must whip up the enthusiasm of the broad masses of staff and workers. It is impossible to run an enterprise well where only managers work hard and not the staff members and workers. As far as the state is concerned, it must speed up related reforms in planning, investment, goods supply, finance, and foreign trade in order to create even more favorable conditions for the implementation of the contract system.

In conclusion, Li Peng said: We have already scored tremendous achievements and accumulated rich experience. But, we must not rest on our laurels. We should further emancipate our minds; display a pioneering spirit; create the new; continuously deepen reform; and open up a new socialist path with Chinese characteristics in running enterprises and developing our economy.

At today's session, the State Economic Commission commended Zhang Xingrang, director of the Shijiazhuang No 1 Plastics Factory and a total of seven enterprises including the Shoudu Iron and Steel Company. Li Peng and other leading comrades presented each of them with a "Creation Award for Enterprise Reform."

Lu Dong on Contracted Responsibility System
OW161017 Beijing XINHUA Domestic Service
in Chinese 1400 GMT 11 Feb 88

[By RENMIN RIBAO reporter Zhang Guorong and XINHUA reporter Xu Yaoshong]

[Text] Beijing, 11 Feb (XINHUA)—Addressing a national forum on the contracted enterprise managerial responsibility system today, Lu Dong, minister in charge of the State Economic Commission, made the following remark: This year the task in deepening enterprise reform is to implement the party Central Committee's recent instruction on coordinating with, perfecting, deepening, and developing the managerial responsibility system based on contracts. Through the implementation of this contract system, further efforts should be made to develop the economy, ensure that sufficient revenues are

turned over to the state, enhance the sustained-development capability of enterprises, and improve the well-being of their staff members and workers as appropriate. In the meantime, we should ensure that the implementation of the contract system will create many high-quality modern enterprises capable of competing in the international market and foster a number of entrepreneurs with a pioneering spirit and managerial expertise, adept at exploring new ways to advance in the environment of the commodity economy.

Lu Dong said: Since the beginning of this year leading comrades of the party Central Committee and the State Council have on many occasions fully affirmed the contract system, saying that we should live by this system in years to come. This, they said, is a way to solve problems in various areas. In planning this year's work, we should grasp three things: One, we should fully popularize the managerial responsibility system based on contracts and, if at all possible, on long-term contracts. The enterprise under contracted management should set a long-term strategic target for its operations so as to have a clear direction and reduce the chances of aimless work. Two, after a managerial contract is signed, efforts should be focused on solving the problems in the enterprise's internal mechanisms. The key tasks in this regard are reforming the revenue-distribution system and the labor and personnel system within the enterprise and establishing a mechanism that will enable the enterprise to make technological advances on its own initiative. Three, at present main efforts should be devoted to strengthening management. Strengthening management should result in optimizing all essential production factors, manpower, funds, and materials. In particular, attention should be given to arousing the enterprise personnel's initiative — the initiative of the contractor and the initiative of the broad masses of staff members and workers. This is a matter of crucial importance to the success of enterprise management.

Actively introducing a competition mechanism is a general principle for instituting the contract system. Speaking on this question, Lu Dong said: Without competition, there would be neither vitality nor progress. Based on the experience gained in some localities, competitive bidding may be practiced first in a certain city or a particular trade and then gradually spread to other localities and trades. A "bidding market" for managerial contracts may be established in those cities where conditions are ripe. In this market, enterprises may publicly solicit bids and select the best bidders, while those who want to secure the contracts are free to submit their bids. The procedure for competitive bidding should be gradually improved in the course of practice. Specifics in actual work may vary according to the different conditions in various localities, but generally speaking, the work should be carried out in a positive and reliable way.

Lu Dong continued: From the viewpoint of long-term development strategy, enterprises' operational results depend on technological advance. At present, however,

the biggest problem is backward management, and this is also where our most realistic potential for development exists. More often than not, we have a misconception: We think the main problem is our shortcoming in technology and overlook our shortcomings in management, system, and spirit. Because of this, we have often imported good equipment but been unable to make the best use of it. This year, with the full-scale popularization of the system of plant directors assuming full responsibility and on the basis of contracted management, down-to-earth efforts should be made to spread the good experience and methods that have emerged in the course of reform, such as the "full-load operation method" and "intraplant banks," as well as other modern management techniques. It is imperative that a system allowing vetos based on product quality be firmly implemented. All enterprises under contract management should, first of all, consider the quality and variety of their products. Whether they can make high-quality and marketable products should be taken as a major criterion for testing the success of their contracted management. Meanwhile, continued efforts should be made to upgrade enterprises.

Finally, Lu Dong stressed: This year we should make further efforts to breakthrough the restrictions of the "three no changes" in forging lateral ties (namely, no change in ownership, no change in the relationship between enterprises and the authorities to which they are subordinate, and no change in the channel through which revenues are turned over to the state). We should enlarge the scope of lateral ties and encourage efforts to probe diversified managerial forms and lively methods for joint operations, such as leasing, purchase of each other's shares by enterprises, joint investment, joint operations, and property purchases. When managerial contracts are signed between enterprises, those that have been operating successfully should be encouraged to assume management of enterprises operating at a deficit or only a small profit and advanced enterprises in coastal areas should be encouraged to assume management of enterprises in the interior. In this respect, authority should be given to enterprises so that they will act in accordance with the requirements of scales and profits of operations, as well as the principle that the good survive and the bad perish. Competition will cause the best mix of enterprises to come out. At present, it is also necessary to resolutely implement a reward and penalty policy in the contract system and fulfill three requirements: the requirements for profit retained by the enterprise, reward to the plant manager, and reward to the staff and workers. Those that cannot fulfill their contracts should be penalized in strict accordance with the terms of the contracts.

Yuan Baohua, vice minister of the State Economic Commission, briefed the forum participants on the work done in formulating and discussing the "Enterprise Law" (draft). Responsible comrades concerned from provincial and municipal economic commissions,

responsible comrades from pertinent ministries and commissions of the State Council, and representatives from some enterprises attended the forum.

Commentator Stresses Contract System
HK130831 Beijing RENMIN RIBAO in Chinese
13 Feb 88 p 1

[Commentator's article: "Hopes Pinned on the Contract System"]

[Text] If asked what was the greatest breakthrough in economic work in 1987, we could answer without hesitation: the institution of the contracted management responsibility system throughout the country.

If asked what is the most decisively significant measure for implementing the guideline on stabilizing the economy and deepening the reforms in 1988, we could also explicitly reply: Let the contracted management responsibility system truly give a full display of its effectiveness in the new year.

It was last April that the central authorities proposed instituting the contracted management responsibility system in enterprises. By the end of the year, in just over half a year, about 75 % of the large and medium-sized enterprises in the country had put this system into effect. The fact that the popularization of the system has been so rapid indicates that it has a sound mass basis and powerful attraction. The phenomenon of the "slippery slope" which appeared in industrial production for a time at the beginning of last year was swiftly curbed thanks to the institution of the contract system and other measures. Industrial growth in 1987 was about 14 % despite a reduction in imports of raw materials and so on. There is no doubt that the contract system won major merit for this performance.

The superiority and important significance of the contracted management responsibility system have been recognized and acknowledged by more and more people. We also commented on this in our 12 December commentator's article entitled "Perfect the Contracted Management Responsibility System in Practice." The most fundamental thing is that this system expresses relatively well the principle of separation of ownership and management powers and sets the enterprises on the path of self-management and self-responsibility for profit and loss, thereby creating conditions for improving the enterprise operational mechanism, especially in the large and medium-sized enterprises which play a backbone role in the national economy. Of course, the contract system still needs perfecting and improving, and it is absolutely necessary to continue to demonstrate it and explore it theoretically. However, it is undeniable that it is the best and most effective of the various methods that can be

adopted in present conditions. Like a magnet, the contracted management responsibility system attracts the efforts, brains, and creativity of those who are bold in reform; and it is becoming more perfected daily in the course of practice.

It is very far from enough to evaluate the significance of this system just by citing its practice in 1987 and the results yielded in something over half a year. Like a man, this system was only stubbornly getting on its feet in 1987, and to fully demonstrate its results we need time and we need to watch the practice as it really gets going in 1988 and the following years.

Viewing the prospects for economic development and the deepening of reforms, we can see that there are also a number of "difficult" problems amid the excellent situation. For instance, the further development of agricultural production along the track of commodity economy, and the further development of grain, pig, sugarcane, and other production require further readjustment of the prices of agricultural and sideline products; and price readjustment is constrained by urban income levels and cannot exceed what the great majority of the people can bear. Unless appropriate readjustments are made, prices will be seriously divorced from value for a long time, and this will in turn hamper the development of production, resulting in even greater shortages of agricultural and sideline products. What is to be done? One of the fundamental ways out of this "cul-de-sac" is to improve the enterprises' economic returns and to achieve returns from modern management methods and from science and technology, so that the workers can increase income on the basis of improved economic returns, thus providing the conditions for readjusting prices. And the attainment of all these things depends on reforms and perfection of the enterprise operational mechanism. Hence, letting the contract system fully display its effectiveness in 1988 is also of extremely great significance for the overall picture of economic development and economic reforms.

In order to let the contract system fully display its effectiveness, we must unwaveringly and perseveringly do a great deal of work in order to form this into a complete system and to perfect, deepen, and develop it. Here, we must pay particular attention to the following four issues:

1. In our guiding idea, we must clearly understand the orientation of strengthening management powers. If in present circumstances we lay one-sided and inappropriate stress on ownership powers and the role of the owners, we will very likely hamper the effort to extricate the enterprises from their status as appendages to the administrative organs, and may even put the reforms in reverse. We must also pay attention to this point in separating party and government functions and government and enterprise functions. It is necessary that many

sectors "prop up" the managers and contractors, to enable them to get on with their work with great vigor and stage a stylish "living drama."

2. We must further introduce the competitive mechanism into the contracts. Using the bidding method to "issue contracts" not only resolves the question of bargaining about the base figure in the contract but also helps in discovering talent. Openly bidding in society also opens up a new way of showing gratitude to the country for certain talented people in undertakings, organs, and units who have the will to engage in management. All this will effectively stimulate the accelerated formation of a stratum of socialist entrepreneurs in China. At the same time, competition also has an important role in gradually forming in people a psychological quality suited to a modern commodity economy.

3. We should continue to do a good job in various coordinated reforms centered on displaying the effectiveness of the contract system. The contract system itself needs to be made complete and perfected, and attention should be paid to building a bridge for gradually embarking on a "standardized management system"; the various external conditions needed to give scope to the role of contracting, including finances and taxation, capital, material supply, foreign trade and so on, must also be correspondingly made into a complete set. By striving for this endeavor, we are very likely to hit on a set of things which are developed on the basis of the contract system and which combine macroeconomic management with microeconomic invigoration and reform with development.

4. Under the impetus of the contract system, we should devote great effort to doing a good job in internal management in the enterprises and strive to apply advanced science and technology. Contracting can stimulate reforms within the enterprises, but can by no means replace them, and still less can it replace the import and introduction of advanced management, science, and technology. And if management, science, and technology cannot keep up with requirements, the possibilities for improving enterprise economic returns opened up by the various reform measures cannot be translated into reality well. In this sense, the contract system can only be reckoned as truly firmed up when internal reforms in the enterprises are done well.

This year is the "Year of the Dragon" in China. May this "dragon," the contract system, move with still greater liveliness and vitality over the vast land of China!

Press Urged To Criticize CPC, Government
OW151538 Beijing XINHUA in English 1510 GMT
15 Feb 88

[Text] Beijing, February 15 (XINHUA)—Laws governing China's news media should be based on journalistic freedom, which would ensure freedom of speech for journalists.

This remark was made by law expert Zhang Youyu in today's overseas edition of the PEOPLE'S DAILY, where he also said, "journalistic freedom includes the open criticism of the Communist Party and government, provided there is no violation of the four cardinal principles."

Zhang, who is honorary chairman of China's law society and advisor to the Beijing journalism society, reiterated the four cardinal principles as the adherence to the socialist road, the people's democratic dictatorship, the leadership of the Communist Party and Marxism-Leninism-Mao Zedong Thought.

"This kind of criticism can only be beneficial to the party and government Zhang said, adding differences in opinion will always exist, and different as these opinions may be, they should be heard and considered.

"Freedom of speech respects the fundamental interests of the party and the state," Zhang said, "so all opinions could be published unless they are aimed at instigating counterrevolutionary activity, or violate the law or the four cardinal principles."

"Journalistic freedom which allows for criticism of the party and government might lead to problems or may cause repercussions," Zhang admitted, "but only through this can the press really play its full role in promoting and guaranteeing socialist construction."

"After the new laws are worked out," he said, "the existing censorship system should be changed."

When mentioning Communist Party newspapers, Zhang said, "sending reports to higher authorities for censorship before they are published is not necessary, except those dealing with major party policy, state secrets, or other important issues."

Families With More Than One Child To Be Fined
OW151355 Tokyo KYODO in English 1228 GMT
15 Feb 88

[Text] Beijing, Feb. 15 KYODO—Chinese families which do not follow the present "one-child-per-family policy" will be fined as part of the nation's population control efforts, a Chinese family planning official said Monday.

Liang Jiming, director of the general head office of the State Family Planning Commission, told reporters China is faced with an acute population problem.

He said 21 million babies were born in China in 1986, up three million over 1985. Some 22 million babies were born in 1987 and a further rise is expected this year, he said.

If continued by 1995, population growth will jeopardize the government's plan to keep China's population below 1.2 billion by the turn of the century, Liang said.

He said marriage-age women between 20 to 24-year-old totaled 51 million in 1985 and increased to 58.5 million in 1986 and 60 million in 1987.

A family which does not follow the "one-child-per-family" policy will have its monthly wage cut by 5 to 10 percent and Communist Party members will have their membership suspended or revoked, he said.

Article Views Separation of Two Powers
HK151502 Beijing GUANGMING RIBAO in Chinese
30 Jan 88 p 3

[Article by Yue Fubin (1471 4395 2430): "New Reflections on the Separation of Two Powers"]

[Text] It is feasible to explore ways to realize the system of public ownership along the thinking of "separating two powers." However, it is necessary to stress the feature of socialist commodity economy and to proceed from benefiting the emancipation of the productive forces. In my view, we can start from the dual attribute of commodities, grasp the vital issue, namely, the obscure distinctions between the state and the enterprise equity, and deal with the question of separating ownership from the power of operations along the line of separating value from use value.

The socialist commodity economy deems it necessary to turn enterprises into independent economic entities, independent commodity producers and operators with sole responsibility for profits and losses and the capacity for transformation and development, and legal entities with certain rights and obligations. In the case of the existing state enterprises, the state, as a capital contributor, should naturally take an interest in enterprise operations because this is something required by the state interests. But this is feasible only under the highly planned product economic pattern. Under the commodity economy, the state monopoly of capital goods and other essential labor factors runs counter to the independent decision-making power as required by the enterprise legal entities. However, if we turn publicly-owned capital goods completely over to independent enterprises, it will also run counter to the specific characteristics of socialist commodity economy. If the state, which serves as the superstructure reacting on the economic base, loses its role as a material guarantee, it will certainly lose its function to exercise macroeconomic control. What should we do to solve this contradiction? I think we still can ponder this issue according to the principle of "separating two powers." However, we must give it new contents, namely, we should separate ownership of value from ownership of use value.

According to the basic tenets of political economy, a commodity has dual attributes, namely, value and use value. Although the dual character of a commodity represents two aspects of the same thing, it can be separated in both an abstract sense and a concrete sense. In fact, the value and use value of a commodity cannot be owned simultaneously. Either you own the value and give away the use value or you own the use value without possessing the value.

As far as the specific characteristics of the socialist commodity economy are concerned, the objective of macrocontrol is to achieve an overall balance. An overall balance can only be achieved in the form of abstract value rather than in the form of concrete material objects. The 13th Party Congress has put forward an economic operational pattern, namely, "the state controls the market and the market guides the enterprises." This control pattern, with the market acting as an intermediary, also calls on the state to rely chiefly on the market mechanism to interfere in enterprises. A major aspect of the market mechanism is the market price mechanism, a transformation of market value. As long as the state genuinely controls value, it is possible to reflect the specific characteristics of the socialist commodity economy and to give play to the role of the state in exercising macro control.

Viewed from the angle of enterprises, the most important thing in a production process is the natural form of labor factor. This is because a process of production is, first and foremost, a process of the transformation of nature and a process of employing the use value of commodities. This is a relatively independent process. Therefore, an enterprise must have absolute power to dispose of labor factors. It can adjust production and transfer with compensation various labor factors according to its own features and the market changes.

The separation of value and use value benefits not only macrocontrol and microflexibility but also the separation of the functions of government and enterprises. Because the value of labor factors is controlled by the state, the enterprises are completely independent except that they have the rights to incur debts from the state and the duty to repay the debts out of their net income. With the enterprises controlling the use value, the state has no right to interfere in the actions of enterprises except that it can guide the enterprises through the market and adjust the industrial policy. As for the relationship of responsibility, authority, and benefit between creditor (state) and debtors (enterprises), it can be defined with economic contracts and guaranteed by the law of economic contracts. Clarifying the equity relationship by means of the creditor's rights and liabilities can help us handle the interest relationship between the state and enterprises.

In separating value and use value, it is first necessary to set up a state asset bureau, which would assess the assets of all enterprises according to current market prices. The

assessment decided and confirmed by the state asset bureau and an enterprise and verified by the legal department would serve as a document of debt incurred by the enterprise to the state. This is called a historical debt. After straightening out the property relationship, an enterprise may repay or renew its debt to the state according to its specific operational conditions. The state may make an additional investment or reduce its investment in light of its financial power and the need to make industrial adjustments. After the property relationship between the state and an enterprise is straightened out, the prices of all labor factors invested in the enterprise, including labor, real estates, technological information, and so on, would be calculated. To protect state property, it is necessary to divide its net income in accordance with the principle of "strengthening taxation and determining interest payment." In so doing we can also avoid the practice of "whipping a flying ox."

If we reform enterprises along this train of thought, those enterprises which are operated satisfactorily and have a strong capacity to repay their debts will be able to make a transition to the system of enterprise ownership and "combine two powers into one." However, those enterprises that are not operated satisfactorily or that do not have a strong capacity to repay their debts will remain at the existing level, maintain simple reproduction, and eventually go bankrupt. Will the "combination of two powers" shake the system of public ownership? No. Because the funds that the state retrieves by dint of its creditor's rights and the tax payments that the state receives by dint of its state power will be quite considerable by that time, the state can chiefly engage in public projects and new industrial departments and then transfer them with compensation. Moreover, it should also directly run a small number of special enterprises that can easily lead to monopoly.

Commentator on Evaluating, Reforming Theory
HK140520 Beijing JINGJI RIBAO in Chinese
1 Feb 88 p 1

[Commentator's article: "Do Away With the Criterion for Right and Wrong Which is Divorced From Realities"]

[Text] At present, all fronts throughout our country are studying the theory of the initial stage of socialism and the party's basic line. In the course of study, the majority of the comrades can link theory with practice, constantly enhance their understanding, and emancipate their minds, but some comrades are still accustomed to proceeding from concepts and old ideas and study the theory for the purpose of theory. Attention must be paid to this situation.

The theory of the initial stage of socialism and the party's basic line is the product of the correct practical and realistic ideological line and is generated in the soil of practice and also guides the development of practice. Practice is the sole criterion for testing truth and also a

key for us to profoundly understand the party's basic line and to further understand the scientific nature of reform. We must, therefore, grasp practice—a fundamental link, unswervingly heighten our understanding, continuously emancipate our minds, and constantly push forward the development of reform and construction.

To adhere to the primary importance of practice, we must first use the yardstick of practice to measure theories that we have put forward, to see if they are beneficial to the development of productive forces and "regard practice as the starting point for us to consider all problems and as the fundamental criterion for testing everything." In light of the fact that the productive forces are the ultimate decisive force for all social development—a principle of historical materialism, we must clearly draw a demarcation line between scientific socialism and the various fantasies. In this aspect, some comrades have worked out several methods to avoid fantasies and one-sidedness. This warrants our consideration. These several methods are: 1) we must not take "books" as a criterion and think that we should be sceptical about some effective measures for developing the productive forces which have been adopted in practice if they cannot be found in the "books;" 2) we must not regard experience as a standard and many former customary methods were created in given conditions, cannot be solidified and patternized, and cannot be regarded as the old "experience" to judge new things; 3) we cannot take the ethical viewpoint of small production as a criterion. For example, the concept of egalitarianism is deep-rooted in our society and is restraining the development of the commodity economy and social productive forces as well as man's ideology and we must strive to eliminate it; 4) we must not regard "whether capitalism has used it or not" as a standard. As soon as we see the issue of bonds and share certificates, we feel that they are capitalist goods. We must see that as specific measures, these are necessary for developing the commodity economy and socialized large-scale production and that what can be used by capitalism can also be used by socialism and there is no problem of capitalism or socialism here; 5) we must not take personal gain or loss as a criterion. Reform can possibly and temporarily affect some people's personal interests but will finally bring about material benefit to our country and all the people. The foregoing five methods are very important. If we do away with the subjective criterion which is divorced from realities, we can proceed from realities still better and profoundly understand the theory of the initial stage of socialism and the party's basic line.

To adhere to the primary importance of practice, we must also unremittingly explore and study the new situation and solve the new problems. The initial stage of socialism is a very long historical period and there are many specific contradictions and laws and the course of their evolution in this period. We have not known them very well and deeply. We must boldly advocate exploration. For example, we must simultaneously carry out and explore the work of developing the private sector of the

economy, of issuing bonds and share certificates, of enabling the enterprise assets to flow, and so on and cannot restrict our activities to a designated area or sphere and fear dangers. This is an important condition for emancipating the mind because, subjectively speaking, there is a course of people's understanding of the things and objectively speaking, correct understanding comes from practice and whether or not understanding is correct can only be tested by practice. All theories are relative and cannot be regarded as ossified dogmas. The theory which originated from practice is used to guide lively practice and the theory itself can also be pushed forward, corrected, and developed.

The aim of study is application. When we study the theory of the initial stage of socialism, we must not only attain a certain depth in understanding and open up a wide field of vision but also, more importantly, use it to guide current reform. While closely integrating understanding with ideological realities, we must closely link it with the realities of reform in our own places and units, practically and realistically push forward all aspects of work, and solve several important problems in a down-to-earth manner. Through the practice of reform, we must unremittingly perfect and enrich the theory of the initial stage of socialism. This is necessary for reform and for perfecting the socialist theory and is the only way to the development of practice. Every comrade must persistently proceed from realities, continuously emancipate his mind, and strive to carry out exploration and to bring forth new ideas and make contributions in the practice of reform and construction.

Handling of "Lin Biao Affair" Viewed
HK150400 Hong Kong WEN WEI PO in Chinese
14 Feb 88 p 3

["Special Feature": Article by Fu Hao (5394 3185), Former Director of the Foreign Ministry's General Office: "Addenda of the Handling of the Lin Biao Affair"—subheads added by WEN WEI PO editor]

[Text] Editor's note: "The Inside Story of Lin Biao's Plane Crash and the Whole Process of Diplomatic Negotiations" has roused our readers' attention since its publication. Former Director of the Foreign Ministry's General Office Fu Hao, who participated in dealing with the "September 13" Incident, has recently written an article for "DANGSHI ZILIAO TOPGXUN" ["NEWS-LETTER ON PARTY HISTORY"], with something new on the incident disclosed. This paper has reprinted the article for our readers. [end editor's note]

On the afternoon of 13 September 1971, the party core group of the Foreign Ministry had already gotten wind of the forced takeoff of Lin Biao, Lin Qun [name as published] and their men on a plane from the Shanghai-guan Airport to the northwest. Premier Zhou Enlai instantly instructed the Foreign Ministry to keep closest attention on the development of the incident.

On the morning of 14 September, Acting Foreign Minister Ji Pengfei presided over the party group meeting, and estimated the possibilities on the immediate consequences of Lin Biao's escape: Lin Biao might make an open statement of his betrayal; Lin Biao or one of his men might make a statement through the media of a foreign country; Lin Biao and his followers might not show up, when a foreign news agency might issue an objective report on the arrival of Lin Biao and his men in a certain place of a foreign country; and there might not be any news release at all until Lin Biao found out about the reaction at home.

Mao Zedong and Zhou Enlai Had Not Gotten a Wink of Sleep for 48 Hours [subhead]

At 12:00, Comrade Ji Pengfei received a top priority handwritten report. In an extraordinary tone, he told us: "They all dropped dead in a plane crash. What a marvellous ending!" The most pressing thing was to rapidly deliver this report to Chairman Mao and Premier Zhou. But words from both the chairman's office and the premier's office came that neither of them had slept a wink since the evening two days before. A moment before, they had taken some tranquilizers, and had just gone to sleep. The party group decided to have the report delivered to both Chairman Mao and Premier Zhou at once.

At 14:00, Ji Pengfei told me: The premier telephoned, saying that he had just returned from the chairman's residence. They praised the comrades of the Foreign Ministry for their instant delivery of the report and their correct decision to wake them up. The premier was especially happy with our embassy in Mongolia for making a prompt decision to reopen a hot line that had not been in use for two years, and transmitting the report home at top speed. The premier then gave the following instruction: Designate someone to translate and to handle all telegrams from the Chinese Embassy to Mongolia. Those telegrams were to be sealed personally by Fu Hao then sent directly to the premier in person. Those who were handling and knew about the incident must keep it as top secret.

The Personalities Handling the Incident Must Keep It a Top Secret [subhead]

At 13:30 on 15 September, the Chinese Embassy in Mongolia reported that Ambassador Xu Wenyi [6079 2429 4135] and his entourage had left for an on-site inspection of the plane crash.

On 17 September, I called Comrade Xu Wenyi on the hot line, telling him to send Sun Yixian [1327 0001 0341] home as quickly as possible. At 15:30 on 21 September, I was waiting, accompanied by my secretary Comrade Wang Wanhui [3769 8001 1979], for Sun Yixian's arrival at the Beijing Railway Station. As soon as Sun Yixian and He Xi [6320 0823], of the China

Construction Corporation, alighted from the train, we greeted them. We made arrangements for Sun to stay at the Ministry's guest house, and He Xi went back to his home in Beijing.

Sun Yixian delivered to me the documents from the embassy along with the roll of negatives taken at the scene of the crash. I told Sun that it was the premier that had asked me to meet him at the train station. I told him that the plane crash involved great complications, and the whole thing must be kept top secret. Then I made explicitly clear to him that he was not allowed to go out, not allowed to walk about in the guest house, not allowed to make any contact with any stranger, or with units other than the Foreign Ministry (including his dependents.) If he should happen to meet someone he knew, he must confine his remarks to saying that he was on a mission to deliver some documents from the embassy, and he was waiting for some documents to be carried back. Above all, he was not allowed to say a single word about the plane crash.

Zhou Enlai's Harsh Censure [subhead]

Around 23:00, Comrades Ji Pengfei, Han Nianlong and I went to the Fujian Hall of the Great Hall of the People. The premier was at a desk busy reading and commenting on documents. Comrade Sun Yixian was ushered in. The premier shook hands with him. Then the premier suddenly asked me who had accompanied Sun on his recent trip. When I replied that He Xi had already gone home, the premier pulled a long face, and interrupted harshly: "Have you ever been a soldier?" At that very moment, I came to see the graveness of the problem. The premier certainly knew that I had been in the army. So I promptly replied: "I'll send for him right away."

It was already past 02:00 in the morning of 22 September when Sun Yixian finished his briefing. Then, Comrades Li Desheng and Kuang Rennong arrived. Wu Faxian immediately followed. The premier passed the on-site pictures around and told them to study them closely in order to account for the cause of the plane crash.

Yang Dehong [2799 1795 0022] and I, Minister of Public Security Li Zhen [2621 7201], Beijing Air Force Commander Li Jitai [2621 7139 3141] studied the pictures and diagrams closely and started analyzing and discussing them. Finally we unanimously agreed with Li Jitai's analysis: The plane had run out of fuel. A forced landing was planned. A risk was taken in landing without the undercarriage down. It seemed that the plane lost balance as soon as it touched down, with the lopsided right wing touching the ground. The friction caused by sand and stones with the sliding wing led to a sudden rise in temperature, which eventually caused a fire in the fuel tank and an explosion of the whole plane. Of course, other causes were not discarded. On the morning of 24 September, I drove by Tiananmen Square and found groups of students continuing their rehearsals for the "October 1" grand parade. Everything went on as usual.

According to the premier's instruction, the incident should be kept secret as long as possible to win ample time to work out "rehabilitation measures" and to avoid unexpected trouble.

Informed of the Apprehension of the Four Strong Men Under Lin Biao [subhead]

On the evening of 26 September, all members of the Chinese Government delegation heading for a foreign country on a visiting tour as scheduled were reporting how things were to the premier and listening to his instructions in the West Hall of the Great Hall of the People. When we said goodbye to the premier, and were on our way out of the north gate, I was summoned by the premier. He said: "Early tomorrow morning you'll be leaving for Paris with the delegation. Please tell Huang Zhen about the Lin Biao affair, and also the central authorities' decision to apprehend Huang Yongsheng, Wu Faxian, Li Zuopeng and Chiu Huizuo. Be sure that he is the only one to learn about it."

'Dialogue' Between Writers, Readers Held HK130254 Beijing ZHONGGUO XINWEN SHE in Chinese 1225 GMT 11 Feb 88

[By reporter Wang Jiabin (3769 0163 2430)]

[Text] Beijing, 11 Feb (ZHONGGUO XINWEN SHE)—The door of the mysterious hall of literature has begun to open to society. The "dialogue" held here today between a group of writers who portray actual events and more than 300 readers has been well received.

In a large hall in the Nationality Cultural Palace, Liu Binyan [0491 6333 7159], Liu Xinwu [0491 1800 2976], Su Xiaokang [5685 2556 1660], Meng Xiaoyun [1322 2556 0061], He Xiaolu [0149 2556 7627], Li You [3810 3945], Zhang Xinxin [1728 6580 2946], Xiao Fuxing [5618 1788 5281], and other writers were separately "encircled" by their enthusiastic readers. Some readers asked for autographs from writers. Others asked writers to talk about their experiences in creating their works. Still others exchanged opinions with writers on their works.

Liu Binyan made a speech at the request of the readers. I am engaged in writing at present, and I will continue to write in the future, he said.

Liu Xinwu said that RENMIN WENXUE [People's Literature], of which he is editor-in-chief, would continue to strive to develop literature on actual events.

Zhu Xiaoping [2612 2556 1627], author of "Actual Events at Sangahuping," presided over today's activities for the first "literature-on-actual-events exchange day," which was aimed at "friendship, exchange, and understanding." Most of the readers participating in the activities were university and middle school students and young workers.

Literature on actual events has now become a type of writing that is deeply welcomed by readers in mainland China because it is true to the facts and reflects the social problems that concern large groups of readers deeply.

Tang Dacheng [0781 6671 2052], secretary of the party group of the Chinese Writers' Association, told the reporter that today's activities were only the first of a series of activities in the form of dialogue between writers and people of various other circles organized by the Chinese Writers' Association.

Encyclopedia on New China Published
OW130422 Beijing XINHUA in English 1248 GMT
12 Feb 88

[Text] Beijing, February 12 (XINHUA)—The English edition of an encyclopedia that introduces basic facts about China's economic and political situations, and all aspects of modern China's social life was published here today.

Compiled and edited by the foreign languages press the work is in five volumes plus appendices and an index. It has nearly 1,000 pages and more than 200 color and black-and-white pictures, as well as charts and maps.

The five parts deal with, respectively, China's geography, natural resources, population and nationalities; ancient, modern, and contemporary (1949 to the present) history; the structure of the state, political parties, people's organizations, foreign policy and developments in foreign relations in recent years; general picture of development in various areas of the national economy; and the development of the country's science, education, art, literature, sports and public health.

Included in the appendices are the Constitution of the People's Republic of China and basic laws of the country, in addition to a brief introduction to China's leading officials and a chronology of the People's Republic.

In a preface, Zhao Ziyang, general secretary of the Chinese Communist Party Central Committee, says that "China needs to know about the outside world and vice versa. I believe the encyclopedia of new China will be helpful to readers abroad who wish to know the truth about China, and I hope more good books about China will come out in the future."

Commentator on Spring Festival Travel Safety
HK160135 Beijing RENMIN RIBAO in Chinese
10 Feb 88 p 1

[Commentator's article: "Wishing You Bon Voyage!"]

[Text] The Spring Festival is approaching, and the tremendous yearly flow of our country's population has begun. The cars, ships, and planes fully loaded with passengers are shuttling over the railroads, highways, and water surface and in the air of our motherland. At

this time, either the passengers who are going on a long journey or their relatives, friends, and co-workers are cherishing the same wish: "Plain sailing! Bon voyage!" This is also our heartfelt wish for our passengers.

We stress safety every year, and have shown more concern this year. This is very natural. In January, which has just passed, several serious traffic accidents occurred, causing grievous losses to the state and the lives and property of the people and making several hundred families meet with misfortunes. The CPC Central Committee and State Council attached great importance to these accidents. The State Council held a special meeting to discuss the problem of strengthening traffic safety and organized an Accident Investigation Committee to be responsible for investigating the reasons and responsibilities for two extraordinarily big accidents. The lesson paid for with blood has conspicuously shown the eight big characters "safety comes first in traffic and transport" to the people once again.

According to the analysis of relevant departments, the number of passengers who go to visit relatives and friends and who go sightseeing by car, ship, and plane around this Spring Festival will reach 750 million; this is more than in any previous year. Such a large-scale population flow in a country in such a short time is rare in the world. This aggravates not only the original problem of relatively limited transport capacity but also the problem of traffic and transport safety. The problem of safety in this spring transport period is more serious than at any previous time.

Guaranteeing traffic and transport safety is first the duty of governments and traffic and transport departments at all levels. With the spirit of a high degree of responsibility for the state and the lives and property of the people, the responsible comrades of governments and traffic and transport departments at all levels must, according to the requirements of the State Council, resolutely put traffic and transport safety above everything else, grasp it, and resolutely implement the principle of "safety comes first; take prevention as the main work." We must now draw a lesson from the several recent big accidents, urgently go into action, strictly enforce discipline, and seriously implement all regulations and systems. Safety work is very complicated and meticulous work as well as professional and mass work. Carelessness and loopholes of any link is likely to cause a big accident. Centered on safety—the center—we must, therefore, organize all subordinate departments and units and all workers to find hidden troubles, stop up the loopholes of all links, and promptly discover and eliminate all potential accidents. It is necessary to implement the system of the examination and maintenance of the transport equipment and to change facilities that cannot guarantee safety. It is essential strictly to carry passengers according to the carrying capacity of the cars and ships and to prohibit overloading for the purpose of earning more money. It is imperative to strengthen the safety and security work of all

transport systems, to resolutely crack down on unlawful activities of sabotaging traffic safety, and to prohibit all work in contravention of the regulations.

Guaranteeing traffic and transport safety is the duty of every passenger. A part of the previous traffic and transport accidents was caused by individual passengers who had taken cars and ships in contravention of the regulations. To guarantee safety during journeys, the traffic and transport departments have formulated relatively detailed regulations, but not all passengers will conscientiously abide by these regulations. For example, the Railroad Department expressly provided long ago that inflammable and explosive dangerous goods were strictly prohibited in cars, but some people knowingly and deliberately contravened this regulation. According to statistics, in January this year, the railroad and public security departments discovered and seized 1,268 kg of explosives, 12,000 detonators, 6,031 meters of fuses, and 6,118,000 fireworks and firecrackers. Had these inflammable and explosive dangerous goods not been promptly discovered and seized, there would definitely have been more railroad transport accidents in January. Was the fire on the 272D passenger train on 7 January caused by a passenger who had carried inflammable goods into the car in contravention of the regulations? A person's violation of the regulations will bring calamity to the whole train. Such grievous lessons are numerous. We can see that everyone is responsible for safety in travel. Every passenger must strictly abide by the relevant safety regulations and not consider only his own convenience and luck throughout; otherwise, it will be too late to repent when a big accident happens in which the car is damaged and people are killed!

No doubt, so long as governments and traffic departments at all levels and the passengers make concerted efforts and work together with one heart, the target of guaranteeing traffic and transport safety can be realized.

We wish our friends who have been or will soon start on a journey bon voyage and a Happy Spring Festival!

CAIFC Gives Spring Festival Reception
OW130350 Beijing XINHUA in English 1235 GMT
12 Feb 88

[Text] Beijing, February 12 (XINHUA)—The China Association for International Friendly Contacts (CAIFC) gave a reception here tonight for foreign diplomats and representatives of foreign mass organizations, firms and enterprises in Beijing.

Among those present were Song Renqiong, vice-chairman of the Central Advisory Commission of the Chinese Communist Party, and Huang Hua, vice-chairman of the Chinese National People's Congress Standing Committee.

Earlier today, the CAIFC held its second meeting of Council members.

PLA Leaders Send New Year's Messages
HK160729 Beijing JIEFANGJUN BAO in Chinese
3 Feb 88 p 1

[Report by reporter Mao Wenrong (3029 2429 2051): "ZHONGGUO MINBING [CHINESE MILITIA] Carries New Year's Messages by Leaders of the Three General Departments of the PLA"]

[Text] Chi Haotian, newly appointed Chief of Staff of the General Staff Department, Yang Baibing, newly appointed Director of the General Political Department, and Zhao Nangqi, newly appointed Director of the General Logistics Department, issued New Year's messages on the title page of the No. 2 issue of ZHONGGUO MINBING magazine to the large numbers of cadres of the people's armed forces departments, militiamen, and soldiers on reserve duty.

In the "Messages" the leaders of the three general departments of the PLA unanimously praised the large numbers of cadres of the people's armed forces departments, militiamen, and soldiers on reserve duty for their strenuous work in building up national defense and in economic construction and their important contributions and conveyed their sincere solicitude and highest considerations to all the comrades engaged in the building up of reserve forces. In their "Messages" they reiterated the spirit of the important instructions of the CPC Central Committee, the State Council, and the Central Military Commission on building up defense reserve forces and call on all people to do a better job of building up the reserve forces on the basis of subordinating themselves to the overall economic construction.

In the "Messages" Chi Haotian emphatically pointed out: The building up of defense reserve forces is an important subsystem of the system of building up national defense. It is necessary to resolutely carry out the spirit of the central authorities on integrating cracked regular forces with powerful reserve forces and genuinely make the reserve forces more powerful. The word "powerful" does not mean "the more the better." They should be powerful in terms of quality and the ability to adapt themselves to the modernization of regular forces and modern warfare. This makes it necessary for the reserve forces front to further deepen the reform in various ways, such as organization, structure, training, equipment, conscription, and reserve.

In the "Messages" director Yang Baibing stressed the need to conscientiously meet the demand of the 13th party congress on "stepping up education about defense to make people more aware of its importance" and "make the work of doing a good job of education on defense to make people more aware of its importance an important aspect of the building up of reserve forces." He said: All-people education about defense is a systems engineering project and is the responsibility of the whole society. The armed forces, the militia, and the reserve forces should set a good example. On the one hand, they

should do a good job of education about defense and, on the other hand, give play to their advisory and backbone role in all-people education about defense and serve as good propagandists.

In the "Messages" director Zhao Nanqi said: While substantially reducing the number of regular troops, the CPC Central Committee, the State Council, and the Central Military Commission stressed that stepping up the building up of defense reserve forces is a strategic measure adopted in light of the international situation and the national conditions. In doing so, we can not only save military expenditure but also correspondingly preserve our defense strength. This represents a reform of the building up of national defense, making it possible to spend less money and do more work. Director Zhao praised the activity of "supporting the military with labor, making the people rich, and building up the military power," which has been launched in all parts of the country and which has been affirmed by the CPC Central Committee, the State Council, and the Central Military Commission, as a vigorous activity suited to the national conditions. By launching this activity in light of the local conditions, the localities can share the burdens of the state, reduce the burdens of the people, and make up for the shortfall in militia and reserve duty work.

Li Peng Stresses Environmental Protection
OW161221 Beijing XINHUA Domestic Service
in Chinese 1407 GMT 15 Feb 88

[By reporter Xu Yaozhong]

[Text] Beijing, 15 Feb (XINHUA)—Acting Premier Li Peng today stressed at a meeting of the Environmental Protection Committee under the State Council: To do a good job in environmental protection, it is important to adopt policies and measures suited to the conditions of our country.

Li Peng presided over the meeting today at which he heard a briefing by Qu Geping, director of the General Office of the Environmental Protection Committee under the State Council. He also discussed the priorities of environmental protection in 1988. The meeting decided that the principles for guiding the work of environmental protection in 1988 are: to have a clear understanding of the situation, deepen reforms, change the functions of leading bodies for environmental protection, strengthen supervision, and push forward the work of environmental protection with the stress on control of air pollution.

Comrade Li Peng spoke at the meeting on ways to do the work of environmental protection more effectively. He said: Environmental protection is one of our basic national policies. The key to doing this work well is to adopt concrete policies and measures suited to the conditions of our country. Since our country is in the initial stage of socialism, its economic strength is not so strong; China cannot copy the practice of developed

countries in tackling environmental problems. Policies and measures adopted in this regard should correspond with our country's economic level, and impractical policies and measures will achieve nothing. Only practical policies and measures can be implemented.

On the priorities of environmental protection, Li Peng said: Viewing the situation as a whole, the priorities of environmental protection remain to be urban and industrially developed areas. The major problems to be tackled are smoke, polluted water, solid waste, and noise. In tackling problems of pollution, it is necessary to do more practical work with less money.

Li Peng stressed: Management should be strengthened in environmental protection. Practical experience shows us that many problems of pollution in our country are caused by poor management. With improved management and strengthened supervision, pollution can be noticeably reduced without spending much money under many circumstances. In improving such management, we should rely on laws and the legal system. Some laws and regulations governing environmental protection have been formulated. Such laws and regulations should be strictly implemented, and supervision should be strengthened. At the same time, efforts should be made to gradually improve the legal system in this respect.

Li Peng said: It is necessary to build up a contingent of environmental protection personnel who are scientifically and technologically trained, know how to suit their work to the conditions of our country, and are dedicated to their mission.

In conclusion, Li Peng said: Although we have done a lot of work, we have only been able to check the worsening of environmental pollution. So much remains to be done in environmental protection. I hope that you all will conscientiously do this work well.

Comrade Song Jian, state councillor, attended and addressed the meeting.

Li Peng Urges Safety in Traffic, Production
OW131415 Beijing XINHUA Domestic Service
in Chinese 1218 GMT 12 Feb 88

[Text] Beijing, 12 Feb (XINHUA)—The aftermath of several major traffic accidents that occurred recently has now been properly dealt with through the efforts made by the departments concerned, said Li Peng, acting premier of the State Council, at a meeting today.

Addressing a national forum on the contracted enterprise managerial responsibility system, Li Peng said: These traffic accidents have inflicted grave losses on people's lives and property. An investigative group formed by the State Council is presently investigating the accidents in order to find out their causes, determine the responsibilities, propose measures, and take necessary steps to deal with the cases.

Li Peng pointed out: It won't do without traffic safety. This is also the case for production. If production safety is not ensured in an enterprise, no economic results can be spoken of. What is more, the lack of safety in production may create grave consequences or affect the stability of the enterprise itself or even the whole society. Because of this, Li Peng called on governments and economic departments at all levels and especially all enterprises to firmly carry out the principle of giving top priority to safety mainly by taking preventive measures.

Li Peng said: Accidents, especially major accidents, in enterprises are generally caused by laxity in labor discipline and violation of rules and regulations. At times, they are associated with the low quality of labor and the poor condition of equipment. In view of this, when implementing the contracted managerial responsibility system, enterprises should include the requirement for safety in production as an important part of the contract to be fulfilled.

Li Peng Greets Deng Yingchao at Festival Time
OW150150 Beijing XINHUA Domestic Service
in Chinese 1212 GMT 14 Feb 88

[By reporter Zou Aiguo]

[Text] Beijing, 14 Feb (XINHUA)—Li Peng, member of the Standing Committee of the CPC Central Committee Political Bureau and acting premier of the State Council, called at the residence of Deng Yingchao, chairman of the CPPCC National Committee, at Zhongnanhai this morning, to wish the octogenarian a happy new year.

"Welcome," said Deng Yingchao, who was quite delighted when she saw Li Peng. Holding Deng Yingchao's hand, Li Peng said: "On behalf of the party Central Committee and the State Council, I am extending Spring Festival greetings to you. I wish you good health and a long life! You have made significant contributions to the victory of the Chinese revolution and the prosperity of our socialist construction cause. We wish to thank you." Deng Yingchao said: "This is what I should do. A Communist Party member's devotion should be unlimited. He or she should not be conceited, no matter how great the achievement."

On the wall of the living room hung an oil painting of Zhou Enlai working selflessly and a traditional Chinese painting showing full-blown red plum blossoms in the snow. Deng Yingchao said: "I am now one of those described as old, weak, sick, and disabled, with only little remaining ability to serve the people. But I have a most important task, and that is to support you and your work. The new Standing Committee of the Political Bureau, headed by Comrade Zhao Ziyang, that was elected by the 13th National Party Congress has taken on a fresh look with its outstanding job." Li Peng said: "If you see anything that we have not done satisfactorily and sufficiently, please make criticism." "In this respect, I will not give up my responsibility. I cannot just praise

you without pointing out the shortcomings," replied Deng Yingchao. Then, she earnestly said: "You are shouldering a heavy task for the party and the people. You should be modest and prudent, guard against arrogance and rashness, and try to do a still better job."

Yang Dezhong, deputy director of the General Office of the CPC Central Committee, and Zhao Wei, deputy secretary-general of the CPPCC National Committee, were present on the occasion.

Li Peng Visits Veteran Comrades in Hospital
OW150126 Beijing XINHUA Domestic Service
in Chinese 1149 GMT 14 Feb 88

[Text] Beijing, 14 Feb (XINHUA)—Li Peng, member of the Standing Committee of the CPC Central Committee Political Bureau and acting premier of the State Council, and Yan Mingfu, member of the Secretariat of the CPC Central Committee, visited Cai Chang, Li Jingquan, and other comrades in the Beijing Hospital this morning.

Li Peng and Yan Mingfu also called on vice chairmen of the NPC Standing Committee Hu Juewen, Xu Deheng, and Seypidin Aizezi; vice chairmen of the CPPCC National Committee Zhuang Xiquan, Wang Guangying, Zhao Puchu, Ye Shengtao, Qu Wu, Mao Yisheng, and Lei Jieqiong; and member of the NPC Standing Committee Luo Shuzhang. On behalf of the CPC Central Committee and the State Council, Li Peng extended Spring Festival greetings to these veteran comrades and wished them a happy festival and early recovery of their health.

Others who visited the veteran comrades at the Beijing Hospital were Wang Hanbin, secretary-general of the NPC Standing Committee; Zhou Shaozheng, secretary-general of the CPPCC National Committee; and Yang Dezhong, deputy director of the General Office of the CPC Central Committee.

Recently leading comrades at the central level also visited Chu Tunan, Zhou Peiyuan, Burhan Shahidi, Miao Yuntai, and other comrades.

Li Peng, Hu Qili Visit, Report to Chen Yun
OW151552 Beijing XINHUA in English 1524 GMT
15 Feb 88

[Text] Beijing, February 15 (XINHUA)—Veteran Chinese leader Chen Yun received Spring Festival greetings today from the Chinese Communist Party (CPC) Central Committee and the State Council.

Li Peng and Hu Qili, both members of the CPC Political Bureau Standing Committee, made a holiday visit to Chen Yun, chairman of the CPC Central Advisory Commission.

Li, also acting premier, reported to Chen on the recent work of the party Central Committee and the State Council. According to Li, [words indistinct] groups have decided to stabilize the national economy and continue the reform this year, while hoping to solve the inflation problem through reform and expanding production.

Chen expressed his support for the current strategy for economic development in coastal areas put forth by party General Secretary Zhao Ziyang.

Chen said, "the time is right for the country's coastal areas to tap into the world market for materials and markets, and making the plan a reality will not be easy."

Hu Qili, also a member of the Political Bureau's Secretariat, told Chen the party and nation wish all veteran revolutionaries like he and Deng Xiaoping a long life.

When mentioning the party Central Committee, presided over by Zhao Ziyang, Hu said, "We are working with one heart and one mind, and the party's cause is full of promise."

Chen told the two leaders, "You are young and promising, so you should do a good job."

Chen returned festival greetings to the party and the people.

Li Peng Hails New Enterprise Reform Ideas
OW142323 Beijing Domestic Service in Mandarin
1030 GMT 12 Feb 88

[Text] The State Economic Commission decided on 9 February to award Zhang Xingrang, inventor of the full-load work method and the Shoudu Iron and Steel Corporation and six other enterprises for their new ideas in enterprise reform.

After Comrade Li Peng presented a prize cup to Zhang Xingrang at the national symposium on contract operation of enterprises today, he and Comrades Yao Yilin, Bo Yibo, Zhang Jingfu, Lu Dong, and Yuan Baohua presented prize cups to the leading members of the seven enterprises.

The State Economic Commission, in its decision to award Zhang, urged enterprises and their operators throughout the country to emulate Zhang's innovative spirit and, proceeding from realities, to actively popularize, apply, enrich, and develop his full-load work method.

The seven enterprises that received awards for enterprise reform were the Shoudu Iron and Steel Corporation, the Beijing Machine Tool Plant No. 1, the Shenyang Electrical Machinery Plant, the Jilin Chemical Industrial Corporation, the Jilin-Tonghua Knitwear Plant No. 3, the Handan Chunlei Ceramic Plant, and the Qingdao Video Tube Plant.

During the symposium, Bo Yibo urged Comrade Zhang and the seven prize winners to guard against arrogance and rashness, remain humble and prudent, and continue to accumulate and sum up experiences while doing their work so as to further improve the contract operation system.

Qiao Shi Conducts Sichuan Inspection
OW160917 Beijing XINHUA Domestic Service
in Chinese 1259 GMT 15 Feb 88

[By reporter Wang Wenjin]

[Text] Chengdu, 15 Feb (XINHUA)—Qiao Shi, member of the Standing Committee of the Political Bureau of the CPC Central Committee and vice premier of the State Council, attended a dragon year mass greeting gathering sponsored by the Sichuan Provincial People's Government here today.

More than 800 people attended the gathering, including Yang Rudai, Fu Quanyou, Hu Maozhou, and other party, government, and military leaders from Sichuan Province, the Chengdu Military Region, and Chengdu City, as well as representatives from all walks of life.

Zhang Haoruo, Sichuan governor, spoke at the gathering. He said: We Sichuan people must seriously study and comprehensively and profoundly implement the guidelines of the 13th CPC Congress, further emancipate our minds and liberate the productive force, uphold the ideological line of proceeding from reality and seeking truth from facts, unite, blaze new trails, and work hard in a down-to-earth manner to ensure sound development of the reform and revitalization of our economy.

Before the opening of the gathering, Qiao Shi met with representatives of PLA combat heroes, provincial model workers, scientists and technicians, and outstanding personnel on the public security, procuratorial, and judicial fronts.

Qiao Shi went to Sichuan on 8 February on an inspection tour. He went to factories, mines, villages, and Yi nationality hamlets where he conducted investigation and study and visited workers, PLA commanders and fighters, research personnel, engineers, technicians, and the Yi people. He also heard briefings on economic work, party building, and public security, procuratorial, and judicial work given by local leaders. He urged them to seriously study and implement the guidelines of the 13th CPC Central Committee, further emancipate their minds, and liberate the productive forces. Qiao Shi pointed out: To mobilize the initiatives of the masses and liberate the productive forces, it is necessary to emancipate the minds first. Only by emancipating the minds and deepening reform can we make full use of local advantages, tap its potentials, and further invigorate our economic work. He also stressed: We must vigorously bring into play the fine tradition and work style of plain living and hard struggle and building the country and

running all undertakings industriously and thriftily. We must refrain from bragging and using empty words and try to provide the people with concrete, good service and strive to make Sichuan, a large province with 100 million people, develop better and faster.

Hu Qili Addresses Ideological Workers
OW140132 Beijing XINHUA Domestic Service
in Chinese 1306 GMT 13 Feb 88

[By reporter Zhan Xiang]

[Text] Beijing, 13 Feb (XINHUA)—Speaking to propaganda, ideological, and cultural workers today, Hu Qili, member of the Standing Committee of the CPC Central Committee Political Bureau, and member of the CPC Central Committee Secretariat, urged them to earnestly study and implement the guidelines set forth by the 13th party congress, delve deeply into the realities of life to study China's current situation, rally even more closely, and improve their study and writing styles so that propaganda, ideological, and cultural work will have a new outlook in the new year.

Over 200 propaganda, theoretical, and cultural workers; journalists; educators; and publishers in the capital, whom Hu Qili called producers, disseminators, and organizers of socialist spiritual products, met at the Great Hall of the People today to attend a tea reception sponsored by the Propaganda Department of the CPC Central Committee to mark the Spring Festival.

Speaking at the reception on behalf of the CPC Central Committee, Hu Qili thanked the attendees as well as all those engaged in socialist spiritual construction for their hard work and positive contributions to China's socialist material and spiritual constructions and reforms during the past year.

Talking to the attendees confronted with extremely heavy responsibilities in the areas of propaganda, ideology, and culture, Hu Qili said: Many heavy responsibilities are in store for people within propaganda, ideological, and cultural circles during the new year. They must thoroughly carry out education on the theory of the initial stage of socialism and on basic party lines; uphold "one center, two basic points" [one center: economic construction; two basic points: 1) upholding the four cardinal principles; 2) upholding the general policy of carrying out reforms, opening to the outside world, and invigorating the economy]; study the many new problems appearing during the course of carrying out reforms and opening to the outside world; and mobilize and encourage our people and young people to expedite reforms and modernization. At the same time, all ideological and cultural departments must actively and steadily proceed with their own reforms so that their work will play an even more positive role in shaping a public opinion favorable to socialist modernization, reforms, and the policy of opening up.

Discussing the issue that the development of reforms and opening up have set even higher requirements for spiritual construction, Hu Qili said: While shaping public opinion and values, and creating a cultural and social environment conducive to socialist modernization and reforms in all quarters, we must counter the influence of decadent capitalist and feudalist ideas. Our ideological departments must actively educate and guide the people, especially young people, so that they can more effectively resist the inroads of decadent feudalist and capitalist ideas.

Using the old saying that "since ancient times, all kingdoms rose invariably through diligence and thrift, and declined invariably because of extravagance," Hu Qili urged the attendees to pay special attention to education on doing everything through diligently and thriftily. He stressed that advocating diligence and thrift and opposing extravagance should be viewed as an important matter closely bearing on the success or failure of socialist construction and reforms.

Hu Qili said that there will be two important meetings on the ideological and cultural fronts this year: a theoretical symposium to mark the 10th anniversary of the 3d Plenary Session of the 11th CPC Central Committee, and the Fifth National Congress of Literary and Art Workers.

Bo Yibo, vice chairman of the Advisory Commission of the CPC Central Committee, emphasized at the reception that the spirit of relying on our own efforts, building the country and conducting all undertakings diligently and thriftily remains China's basic policy. He said that great efforts should be made to promote this spirit today.

Delivering a speech at the meeting, Wang Renzhi, head of the Propaganda Department of the CPC Central Committee, said: Propaganda, ideological, and cultural workers are trustworthy personnel, loyal to the party cause, who can firmly implement the party's lines, principles, and policies. The work they accomplished last year shows that they have by and large lived up to the expectations of the party and the people in their respective spheres. He urged the attendees to produce more spiritual products and research works useful for reforms and construction, and fete the masses and young people with even more delicious and nutritious spiritual food.

Wang Meng, minister of culture; Ru Xin, vice president of the Chinese Academy of Social Sciences; Lin Mohan, vice chairman of the China Federation of Literary and Art Circles; Nan Zhenzhong, editor-in-chief of XINHUA; Zhang Huiqing, editor-in-chief of People's Publishing House; and Wang Xuezhen, secretary of the Beijing University Party Committee, also addressed the tea reception.

Leading comrades Song Renqiong, Rui Xingwen, and Kang Keqing; and leading members of relevant departments Bao Tong, Qian Liren, Gao Yang, Hu Sheng, Mu Qing, Ai Zhiseng were also present at the reception.

The reception was chaired by Wang Weicheng, deputy head of the Propaganda Department of the CPC Central Committee.

Hu Qili, Others Attend Meeting on Leprosy
OW160027 Beijing XINHUA in English 1037 GMT 15 Feb 88

[Text] Beijing, February 15 (XINHUA)—China plans to eliminate leprosy by 1997 on the centenary of the first international leprosy meeting. Dr. Ma Haide (George Hatem), president of China Leprosy Association and Foundation, said today.

Speaking at a gathering to observe China's first Leprosy Day, Ma Haide said the number of patients suffering the disease has declined to about 70,000 from 500,000 in the early 1950s. He said 85 percent of the sufferers have been cured.

The president said since the China Leprosy Association and Foundation was set up in 1985 great strides have been made in carrying out technical training and spreading knowledge about the prevention and cure of the dread disease.

He has travelled around the world four times to talk about what China is doing in the field and winning support from other nations.

Last year, the association decided to set aside the last Sunday of January, International Leprosy Day, as Leprosy Day in China.

Party and state leaders Hu Qili, Chen Muhua, Huang Hua, and Zhou Peiyuan attended today's gathering. Chen, in a speech, urged all society to support the association's work.

Gu Mu on Hainan Island Development
HK130721 Beijing ZHONGGUO XINWEN SHE in Chinese 1406 GMT 11 Feb 88

[Report by reporter Li Wei (2621 0251)]

[Text] Beijing, 11 Feb (ZHONGGUO XINWEN SHE)—State Councillor Gu Mu pointed out here tonight: The state should support the development of Hainan Island. But it won't do to rely exclusively on the state. It should mainly rely on foreign capital. In this respect, Hainan should be more open and have a freer hand.

He then used the construction of ports as an example to show how Hainan can "be more open and have a freer hand": The imported materials and equipment needed for the construction of ports can be exempted from taxation; it may be stated clearly in the contract that the right to use and manage the docks after the completion of the port belongs to foreign businessmen for several decades, including the power to decide what ships to employ to deliver materials abroad.

Gu Mu made these remarks at a meeting with Chinese-American Mr Chao Hao-sheng. The subject of conversation between the two old friends included an introduction to the development of Hainan island and the policy adopted by the CPC.

Gu Mu said: No matter how Hainan island opens up, it is still socialist. That is to say, it should be placed under state macrocontrol on major issues. However, it can make breakthroughs in specific methods which may be different from other parts of the country. In short, the policy toward Hainan island is "more flexible and more open" than the present policy toward the four special economic zones.

Chao Hao-sheng asked: "Have you considered the question of issuing Hainan currency?" Gu Mu answered: "Not for the time being." In his view, it is impossible for Hainan Island to catch up with Shenzhen and the Zhu Jiang delta within 3 to 5 years. He said: We hope that Hainan Island through hard work will be able to reach the nation's average level in the early 1990's, and the country's advanced level by the end of this century.

The leader in charge of China's cooperative affairs with foreign countries also expressed this confidence: The further development of China's coastal areas will bring along the interior economy and the objective of the coastal areas to join in the major international cycle is a correct one. This represents a good opportunity for China's economic development which we should not let slip. The Chinese market is huge, its policies are increasingly flexible, and foreign businessmen will be increasingly interested in investing in China.

After the meeting Gu Mu gave an informal dinner for Chao Hao-sheng.

Liao Hui, director of the State Council's Overseas Chinese Affairs Office, and He Chunlin, director of the Special Economic Zones Office, attended the meeting and the informal dinner.

Fang Yi, Others at Dinosaur Exhibit Opening
OW142315 Beijing Domestic Service in Mandarin 1030 GMT 12 Feb 88

[Excerpt] An exhibition of prehistoric dinosaurs sponsored by the Institute of Paleovertebrates and Paleoanthropology under the Chinese Academy of Sciences opened at the Beijing Exhibition Center today to greet the Year of the Dragon. This is China's first fair-size exhibition of fossils of paleovertebrates.

Fang Yi, state councillor; Zhou Peiyuan, vice chairman of the CPPCC National Committee; Zhou Guangzhao, president of the Chinese Academy of Sciences; and well-known scientists in the capital attended the opening ceremony. [passage omitted.]

Ulanhu Attends Tibetan New Year Reception
OW150606 Beijing XINHUA Domestic Service
in Chinese 1232 GMT 14 Feb 88

[By reporter Ge Lai]

[Text] At noon today the Xizang Hall of the Great Hall of the People was in a festive mood marked by national unity. Vice Chairmen of the NPC Standing Committee Npapai Ngawang Jigme and Banqen Erdini Qoigyi Gyancan were holding a reception here to celebrate the Tibetan new year — the Year of the Cimosaurus — on behalf of the People's Government of Xizang Autonomous Region.

Ulanhu, Yan Mingfu, Liao Hansheng, and Yang Jingren, as well as responsible cadres from united front work and nationalities affairs departments and Beijing Municipality, were among those attending the reception. Puncog Wangje, vice Chairman of the NPC Nationalities Committee, and Ngapoi Cedain Zhoigar, vice president of the All-China Women's Federation, were also present.

Yan Mingfu, member of the Secretariat and head of the CPC Central Committee United Front Work Department, entrusted by Ulanhu, Liao Hansheng, and Yang Jingren, delivered a speech at the reception at the request of Ulanhu, Liao Hansheng, and Yang Jingren. He spoke highly of the new achievements made by the party committee and People's Government of Xizang Autonomous Region in implementing reform and open policies, promoting economic and cultural development, and carrying out the guidelines of the 13th CPC National Congress. Then he said: The party Central Committee and the State Council are deeply concerned about the Xizang people. Recently Vice Chairman Banqen went to Xizang on the instruction of the central authorities. He inspected work in Lhasa and Xigaze, made arrangements for the Tibetans' traditional preaching activities, and conducted studies and offered good suggestions on Xizang's construction and development in the future. He did a great deal of work and made considerable achievements, which are worthy of congratulation. He added: In future work on nationalities affairs we should seriously implement the Law on Regional Autonomy for Minority Nationalities. The main task is to strive to develop the politics, economy, and culture of the minority nationalities, with economic construction as the central work. It is imperative to maintain the unification of the motherland, strengthen the unity and consolidate the socialist relations among different nationalities, and achieve common prosperity.

Vice Chairman Ngapoi Ngawang Jigme addressed the reception on behalf of Vice Chairman Banqen Erdini Qoigyi Gyancan. He began his speech by extending festive greetings to the more than 1,000 Tibetan comrades currently studying or working in Beijing and to all Tibetan compatriots living in Sichuan, Gansu, Qinghai, Yunnan, and the Xizang Autonomous Region, as well as overseas. He wished them "Zha Xi De Lai" (good luck) in the new year.

Ngapoi Ngawang Jigme said: In these happy days, we are heartily pleased to see the prosperity achieved and progress made in the areas inhabited by Tibetan people. This is inseparably linked with the loving attention given them by the party Central Committee and the State Council, the enthusiastic support rendered by people of other nationalities in our country, and the backing of the strong motherland. Because of this, I and Vice Chairman Banqen, on behalf of the Tibetan people, wish to express our appreciation and extend festive regards to the Han cadres, intellectuals, and commanders and fighters of PLA units who have selflessly assisted in Xizang's construction.

Wives of veteran comrades who led the march into Xizang were also invited to the reception. They were Yang Gang, wife of Zhang Jingwu; Fan Jinzhen, wife of Zhang Guohua; Wang Xianmei, wife of Wang Qimei; Ge Lizhu, wife of Yang Dongsheng; Su Zhuqing, wife of Guo Xilan; and Liang Rucheng, wife of Song Ziyuan.

Responsible cadres from Xizang Autonomous Region currently in Beijing, namely, Niu Ruizhou, Tudao Doje, and Xiang Yang, and responsible persons of the region's office in Beijing, including Long Deyi and Ma Hanjie, were also present at today's reception.

Zheng Tuobin on Obstacles to Trade Reform
HK150839 Beijing CHINA DAILY (BUSINESS WEEKLY) in English 15 Feb p 1

[By staff reporter Tian Ying]

[Text] China's foreign trade reforms, which have largely remained in theory rather than in practice for the last several years, are expected to be implemented this year.

"How to put the current foreign trade reforms on the right path is the first question on my mind," said Zheng Tuobin, Minister of Foreign Economic Relations and Trade (Mofert).

According to the General Administration of Customs, China's import and export trade volume totalled \$83.78 billion last year, 13.5 percent more than in 1986.

Export volume reached an all-time high of \$39.92 billion, up 29 percent over 1986.

However, China's foreign trade volume accounts for only 1.5 percent of the world's total. "We have no reason to be satisfied with this," Zheng said.

To further develop foreign trade, the key is to remove obstacles hindering expansion. This is the purpose of foreign trade reforms.

Zhang said, beginning this year, firms involved in foreign trade in light industrial goods, arts and crafts and garments will be responsible for their own profits and losses.

These firms will not be subsidized, but will be allowed to keep a larger share of their export earnings than most other firms.

The change will be tried on an experimental basis, and, if successful, will be needed to guide other companies.

The reforms are aimed at reducing administrative interference in routine decision-making and day-to-day work of the firms as much as possible, Zheng said.

Starting this year, foreign trade departments will no longer purchase commodities from domestic producers and for sale on foreign markets as in the past. Instead, they will act as agents between the domestic producers and foreign buyers. They will negotiate with foreign businessmen on behalf of the producers and collect service charges from the sellers.

In the past, foreign trade firms lost money if the commodities they bought for export did not sell well on foreign markets. The State would then make up their losses.

The reforms also include giving more decision-making powers to foreign trade companies. The State will abandon its previous practice of setting mandatory export targets for import and export corporations. The firms will have the right to make their own export plans, handle their own financial affairs, decide what products to export and make their own decisions on personnel matters.

These moves are expected to boost the initiative of both foreign trade firms and enterprises producing export goods and reduce subsidies to exporters.

Zheng said links between central foreign trade corporations and their branches in provinces, municipalities and autonomous regions will no longer exist. Local foreign trade firms will be under the jurisdiction of local governments. Central firms will be turned from administrative organizations into economic enterprises.

Provinces, municipalities, autonomous regions and central foreign trade corporations will sign export contracts with the Ministry of Foreign Economic Relations and Trade. The contracts will include export volumes, the amount of foreign exchange earnings and allowable losses. If the contractors overfulfill the targets, they can keep a certain proportion of the extra income.

The method is an important step in developing independent foreign trade companies and making them capable of running their own affairs, Zheng said.

With companies, provinces, municipalities and autonomous regions handling exports of the same products, competition among domestic exporters will be inevitable, an official of the International Trade Research Institute said.

Mofert has established five separate commercial group to coordinate the export of major commodities, help develop co-operation among the exporters, organize national and international trade fairs and technical exchange meetings and provide market information.

The Ministry will be responsible for issuing export licences. Customs control will also be strengthened, the official said.

Foreign trade corporations are being encouraged to expand the number of products they handle. Currently a company exports only one product or several varieties of the same product.

'News Analysis' on Positive Foreign Trade
OW130112 Beijing XINHUA in English 1108 GMT
12 Feb 88

['News Analysis: China's Foreign Trade Looks Good' — XINHUA headline]

[Text] Beijing, February 12 (XINHUA correspondent Li Lubo)— January's customs statistics show China's foreign trade has been doing well at the beginning of this year, even in the face of some problems.

Trade analysts cited three important indicators, namely a trade surplus created by increased exports, a more rational import-export structure better geared to the market, and more extensive trade relations, which will help realize China's goal of balanced trade in 1988.

General Customs Administration officials reported, China's import-export business last month hit five billion U.S. dollars, an increase of 32 percent over the same period in 1987, and showed a 325 million U.S. dollars surplus.

Trade analysts agree it is worth mentioning last month's trade surplus occurred while 10,000 of China's foreign-funded enterprises also increased imports of equipment and goods as part of their investment.

Since 1984, China has suffered serious trade deficits for three consecutive years, but with more commodities being produced domestically and tighter import controls, China was able to almost balance trade last year.

Customs figures last month showed a drop in primary raw materials coupled by more exports of processed and improved products. China exported 300,000 tons of grain, 100,000 tons less than last January 1987, even though overall exports remained unchanged.

Compared with January 1987, China's exports of cotton, and cotton thread and cloth were down, while 60 percent more ready-made cotton clothing was shipped out. Exports of steel products, machinery, electronic watches, leather shoes and cassette recorders also climbed dramatically.

As a developing country just forging its way onto the international market, China still has to export a lot of raw materials and low-grade processed goods to maintain the country's limited foreign currency reserves. Those commodities whose export value topped 20 million U.S. dollars last month were in these two categories.

Policies which encourage exports are pushing more Chinese firms into the world market, but some sectors' which ignore the domestic market in their attempts to export, contradict basic economics and worry some economists.

One example is China's exports of pork. Although little difference exists in the price of pork on the domestic and overseas markets, China still exported 87 percent more pigs and 133 percent more canned pork last month than it did during the same period in 1987. This trend has placed even more strain on the country's domestic pork supplies.

Even though more materials are still being imported, China drastically cut the imports of steel, processed petrochemicals, television sets, refrigerators and electronic watches, because now domestic manufacturers can handle the demand.

Beginning this February, China readjusted tariffs on 47 import items, which is yet another step toward making China's trade structure more rational and protective of domestic industry.

Hong Kong is still China's biggest trade partner at 1.5 billion U.S. dollars last month, while Sino-U.S. trade also achieved a balanced status.

China's imports from Japan, the country's second largest trade partner, went down 10 percent. Trade analysts attribute these discrepancies to Japan's tighter export control toward China after the "Toshiba case," and Chinese firms' lack of confidence in dealing with Japanese partners.

Trade with the European Economic Community this January was about the same as that done with the Soviet Union, meaning China's exports to both saw a quick jump while imports slowed down.

What analysts are finding most interesting is China's trade with Australia and the six Southeast Asian countries because imports and exports here both went up sharply last month.

Commenting on the fact that China keeps expanding trade relations with other countries, trade analysts agree that more flexible trade strategies would, in the long run, lessen the threat to China's foreign trade from protectionist high tariffs in some industrialized countries and secure a more favorable position for China in the world market.

LIAOWANG on Foreign Economic Cooperation
HK140740 Hong Kong LIAOWANG OVERSEAS
EDITION in Chinese No 5, 1 Feb 88, pp 3-4

[Article by Zhu Rongji (2612 3579 1015): "New Developments in China's Economic Cooperation with Foreign Countries"]

[Text] [LIAOWANG Editor's Note] The author of this article is former vice minister of the State Economic Commission, and is now leader of China's largest economic city Shanghai. He is also an expert in China's enterprise management and foreign economic cooperation. In this article, the author summarizes China's new strategy for foreign economic cooperation in 1988, especially the new steps in the three major aspects of foreign trade, technology import, and encouraging foreign investment in China. [end editor's note]

Along with the deepening of reforms, the expansion of opening up, and the continuous development of the national economic development, China will be able to import more and more foreign goods and to absorb and use larger and larger amounts of foreign funds and technologies. This will also make greater contributions to the economic development in the Asia-Pacific region and in the world. China is the largest developing country in the Pacific region, and the present condition in the cooperation between China and other countries in the Asia-Pacific region is satisfactory. At present, China's trade with countries in the Pacific region accounts for nearly 70 % of China's total foreign trade volume, and most foreign funds and technologies are imported from the Pacific region. China is rich in labor forces and material resources, and has the largest domestic market in the world. China's economic structure is multi-tiered and diverse in forms, and this enables China to develop cooperative relations with various countries in the Pacific region at different levels in light of the principle of equality and mutual benefit.

Since 1979, China's foreign trade has greatly developed. In 1986, the total export value reached \$73.85 billion, or 94 % higher than that in 1980. In 1987, China's foreign trade again made major advances, and exports increased substantially. The foreign trade deficit and the state's foreign exchange reserve were markedly improved. However, China's present foreign trade volume still accounts for a very small proportion in the world's international trade, and this is not commensurate with the fact that China has the largest population in the world. In order to speed up the development of foreign trade, China will adopt the following steps:

—Reasonably adjusting the structure of export goods and gradually shifting the main part of export goods from raw materials and elementary products to advanced and sophisticated processed products. In this regard, China has achieved certain results: The proportion of elementary products in China's export goods declined from 50.2 % in 1980 to 36.2 % in 1986; and the

proportion of industrial manufactured goods increased from 49.8 % in 1980 to 63.8 % in 1986. Meanwhile, the export of garments and textile goods increased by 80 %; and the export of mechanical and electrical products increased by 38 %.

—Further adjusting the layout of the production of export goods. This mainly refers to the building of various kinds of export commodity production bases, specialized factories, and export processing zones with different characteristics in coastal areas and other areas with favorable conditions so as to achieve high efficiency in earning foreign exchange.

—Diversifying our trade relations. In 1986, China had established trade relations with 184 countries and regions, and had signed tariff mutual benefit treaties or agreements with 102 countries. It should be pointed out here that the United States is the most developed country with the largest trade volume in the world, great potential trade has yet to be tapped in Sino-U.S. trade. China hopes that the United States will make further efforts and will strengthen cooperation with China so as to promote Sino-U.S. bilateral trade.

—Actively developing various forms of trade. In 1986, the volume of foreign trade in the form of processing imported materials for the purpose of re-export purpose increased by 1,190 % over that in 1980; the volume of foreign trade in the form of processing of materials supplied by foreign clients according to their designs increased by 500 %; the volume of compensation trade increased by 130 %; and the volume of foreign trade involved in foreign investment enterprises increased by 7,350 %. All such flexible forms of trade have brought new vigor to China's foreign trade. In the future, China will attach more importance to the development of these flexible forms.

—Reforming the foreign trade system step by step. In 1988, China will carry out reform experiments in the light industrial, arts and crafts, and garment trades. The reform will focus on changing the old financial system of unified distribution of the incomes and expenditures into a new system under which enterprises bear responsibility for their own profits and losses. This will improve the management of the foreign trade enterprises and restructure the domestic industries.

Importing advanced technology to transform the existing enterprises is a basic principle and long-term policy in China's modernization construction.

Since 1983, China has formulated a series of policies and measures to encourage the import of advanced technology, and the work in this field has been rapidly making progress. In recent years, China has made use of foreign exchange from various sources and adopted different forms to conclude 16,941 agreements with foreign companies on importing technology to transform the existing enterprises, and the total amount of these transactions

reached \$12.38 billion. Now, 9,698 items of these transformation projects have been put into operation, accounting for 57.2 % of the total. These projects of importing advanced technology have forcefully promoted the technological transformation of a large number of existing enterprises, and have brought about an upsurge of transforming the enterprises on a large scale for the first time since the founding of the PRC.

Projects in the light industrial, textile, food processing, packing, machine building, electronics, and special raw materials in the trades accounted for a large percentage of the technology import projects, and this rapidly improved the technology of these trades whose foundation was rather weak in the past and enabled them to raise their product quality, increase product variety, economize on energy and raw materials, and achieve better economic results. Now, about 60 % of China's additional industrial output value in China is achieved through imported advanced technology, technological transformation, and strengthened management.

However, China's technology import is now just in the initial stage, and is still far from meeting the needs of China's modernization construction. The technology and equipment in most of the more than 400,000 industrial enterprises are still backward. Only 10 % of the large and medium-sized enterprises have been transformed to different degrees, and about 25 % of their equipment remains in an aging condition. Equipment reaching the general international technological level accounts for only 12.9 %. So strengthening the technological transformation of the existing enterprises is an important matter that has a bearing on whether China can realize the four modernizations.

China is a developing country, and the shortage of funds and foreign exchange will be a long-standing difficulty. China cannot merely spend foreign exchange on importing technology without earning foreign exchange. We must increase our export and earn more foreign exchange by raising product quality and increasing the production of goods that meet the needs in international markets through importing advanced technology. Only thus can we import more advanced technology and equipment from abroad. Therefore, increasing the export and exchange earning capacity of the products will be a major policy and objective in China's future efforts to import technology.

In the near future, China will improve product quality, upgrade the export products, and increase their variety through speeding up technology import and technological transformation in the coastal areas. At the same time, through importing whole sets of technology, China will raise the technological level of the production of parts, components, and raw materials, thus provoting the development of mechanical and electrical equipment. In this field, there are broad prospects in the cooperation between Chinese and foreign manufacturers.

Another important part of China's opening-up policy is to encourage foreign companies to make investment in China and to run joint ventures, cooperation enterprises, and enterprises solely owned by foreign investors. By September 1987, China had approved the establishment of 8,943 enterprises involving foreign investment. The agreed foreign investment, including the investment in the off-shore oil development projects, reached \$21 billion, and actual foreign investment amounted to more than \$7.6 billion.

In recent years, American businessmen have increased their investment in China. By September, the number of U.S. investment projects in China reached 367, with a total investment amount of over \$3.1 billion. The investment projects included such important joint ventures with advanced technology as the Pingshuo open-cut coal mine in Shanxi, the Beijing Jeep Manufacturing Company, and the Shanghai Foxboro Company. Recently, through 2 years' negotiations, Shanghai has reached an agreement with the Xerox Company to set up a joint venture, which will be China's first photocopier machine manufacturer.

Now, more than 4,000 enterprises with foreign investment have put into operation, and most of them are operating in a satisfactory condition. The business operation of the enterprises with foreign investment can be divided into three types: first, making good profits and maintaining a foreign exchange balance; second, making profits but having difficulties in maintaining a foreign exchange balance; and third, running in the red (most enterprises of this type are set up in the early stage of the opening policy). Now each of these three types accounts for about one-third. Since China adopted a series of measures to improve the investment environment, many enterprises have stopped losses and begun to make profits. Mr. Jielaerde Gelisen, Vice President of the Foxboro Company of the United States, said on 14 September 1987 to an American newspaper that "we have never regretted settling down in Shanghai." Last year, the Keyi [4430 5669] International Management Consulting Company of the United States made an investigation of the 70 joint ventures in the manufacturing industry, and concluded: Foreign investment in China is shifting from the exploratory stage to the stage of building valuable long-term relations and getting a lasting foothold in China. Not long ago, Mr. Hansen [3352 2773], Chairman of the UN Transnational Corporation Center, pointed out: From any angle, China is successful among the developing countries in opening up to the outside world and in attracting foreign investment, and China is advancing rather fast in this field. At present, no other large and important country like China can score such successes in such a short time.

Of course, this does not mean that China's investment environment is perfect. In the past few years, the Chinese government successively promulgated the "Law on Chinese-foreign Joint Ventures," the "Law on Enterprises Solely Owned by Foreign Investors," the "Law on Foreign Economic Contracts," the "Regulations on Cooperation in Developing Offshore Oil Resources with Foreign Companies," and other laws and regulations related

to foreign economic activities. In October 1986, the Chinese Government promulgated the "Regulations on Encouraging Foreign Investment;" the departments concerned have also formulated some detailed rules on implementing the regulations. Now 13 sets of such rules have been promulgated and are being enforced.

In order to help the enterprises with foreign investment, especially those with high technology, cope with the difficulty in maintaining the foreign exchange balance in the early stage of operation, the Chinese authorities concerned have adopted the measures of regulating the supply of foreign exchange, allowing the export of products not produced by these enterprises, and using substitutes for imported goods, which have greatly mitigated the problem of foreign exchange imbalance in some enterprises with foreign investment. The State Council has also instructed the State Economic Commission to set up a bureau to manage the enterprises with foreign investment and to help them solve problems and difficulties in production and operation. Local governments are now also inspecting the operation of the enterprises with foreign investment and helping solve their problems. Relevant official procedures have been simplified, government work efficiency has been improved, and better services are offered to them. As a survey report by the U.S.-Chinese Trade National Committee pointed out, "China is adopting effective steps to solve the existing problems, and it is believed that, in time, the problems will certainly be solved and the conditions will be improved."

Import-Export Business Increases Earnings
OW130106 Beijing XINHUA in English 1104 GMT
12 Feb 88

[Text] Beijing, February 12 (XINHUA)—China's total import-export business hit 5.045 billion U.S. dollars last month, or a 32 percent increase over the same period last year.

According to the general customs administration, January's exports were 2.685 billion U.S. dollars, 52 percent more than January, 1987, while imports logged 2.36 billion U.S. dollars, or an increase of 14.7 percent.

Export commodities which earned China more than 20 million U.S. dollars during the month included grain, vegetables, tea, canned food, coal, cotton, crude and refined oil, cotton cloth, carpets, garments and processed products.

Import commodities which cost the country more than 20 million U.S. dollars included grain, natural rubber, timber, wool, refined oil, fertilizer, steel products, machinery, television tubes, and automobiles.

Statistics show, of China's 60 trade partners, Hong Kong held first place last month with an import-export volume of 1.5 billion U.S. dollars, or a 50 percent increase over the same period in 1987.

Japan kept its place as China's second largest trade partner, with total imports and exports of 980 million U.S. dollars, which showed exports up 67 percent and imports down 10 percent.

China's third largest trade partner was the European Economic Community, with whom bilateral import-export business hit 570 million U.S. dollars last month.

Taking fourth place last month was the United States, which conducted 470 million U.S. dollars worth of import-export business with China.

Researchers Predict Economic Slowdown
HK159833 Beijing CHINA DAILY in English
15 Feb 88 p 1

[Text] Researchers in China believe that after the increase in the country's economic growth in 1987, the rate of development will slow this year.

The country's economic development has had its ups and downs, and the average period between peaks is about 3.6 years, said Wu Minglu of the National Research Centre for Scientific and Technological Development under the State Science and Technology Commission.

After slowing in 1988, the country's rate of development is expected to speed up again in 1989 or 1990, Wu said in an interview.

Last year the country's gross national product (GNP) reached 1.08 trillion yuan (\$291 billion), an increase of 9.4 percent over 1986.

Wu said his conclusions came from a study of the history of the country's economic development and from figures provided by the State Statistics Bureau.

He said both energy and raw material production rose steadily in 1987. Production of raw coal reached 920 million tons, raw oil 134 million tons, electricity 496 billion kilowatt-hours and steel 56 million tons.

Grain output in 1987 reached 402 million tons, 10.9 million tons more than in 1986. Cotton production reached 4.19 million tons, an increase of 18.4 percent over the previous year and aquatic production reached 9.4 million tons, an increase of 14.1 percent.

In 1988 the government plans to pay more attention to agriculture and exert more effort to enrich farm land in winter and spring. Since demand for more agricultural and side-line products has increased and prices have gone up, farmers will be more enthusiastic about increasing production, Wu said.

Commodity retail sales reached 582 billion yuan in 1987, an increase of 17.6 percent over 1986. If price rises are taken into account, the actual increase was 9.6 percent.

Retail sales of food reached 276 billion yuan, an increase of 18.1 percent on the 1986 figure, clothes 88 billion yuan, an increase of 13.9 percent, and other daily necessities 147.2 billion yuan, an increase of 16.7 percent.

Consumers are still tending to buy a lot but are finding the supply of non-staple food and home appliances and luxury goods limited. Price rises are expected to continue and the government will find it difficult to maintain market stability, Wu predicted.

New Economic Strategy on Opening Up Viewed
HK131653 Hong Kong LIAOWANG OVERSEAS
EDITION in Chinese No 5, 1 Feb 88 p 1

["Letter from Beijing" by Bao Xin (7637 0207): "The Major Strategic Step of Further Opening Up"]

[Text] Dear Brother:

How are you? Probably you know that the large-scale international economic circular flow is now a hot topic of conversation on the mainland. A statement made recently by General Secretary Zhao Ziyang on the strategy for economic development in the coastal areas has heightened the theoretical and practical significance of the issue.

The so-called large-scale international economic circular flow, in short means making proper use of foreign funds and materials and giving full play to the preponderance of labor resources on the mainland for exporting labor-intensive products and participating in the international division of labor and the international exchange of commodities. Such economic circular flow will help our economy develop like a rolling stone. This is a new and major strategic step in opening up our country wider to the outside world.

Adoption of the new strategy for economic development actually started in the Zhu Jiang, Changjiang, and Minnan Deltas, and in the Shandong and Liaodong Peninsulas, in an effort to vigorously develop the export-oriented economy in the entire coastal areas of our country. Except for labor force, energy and building materials and other raw and semi-finished materials are all imported from abroad in compliance with the principle of "processing materials supplied by the foreign businessmen." Finished products are then exported to foreign markets to earn more profits. Such international economic circular flow, which is exposed to the outside world in two ways, can speed up economic development in our country's coastal areas, and at the same time can spur the economy in central and western China and even the economy as a whole.

You will probably think about the feasibility of the development strategy. As a matter of fact, the strategy has been considered for a long time and in no way emerged out of a void. As early as 6 years ago we put forward the idea of making full use of funds, material resources, and the market, both at home and abroad. The idea was then contributed to opening up coastal cities

and some islands in turn, and for setting up more special economic zones. It can be said that all this is the starting point and evolution of the new economic strategy and has provided useful and practical experience for final policy decision making on the strategy.

Internationally, there have been objective conditions. After the major readjustment of the world economy in the 1950's and 60's, the third readjustment is approaching. The labor-intensive industry is being transferred from the developed areas to cheap-labor areas. The amount of funds raised in the international market exceeds \$300 billion and a total of nearly \$100 billion is used to make direct investment every year. This is a good chance for our country to absorb more foreign investment funds and develop the export-oriented economy.

At home, adoption of the new strategy of developing the large-scale international economic circular flow is appropriate to the occasion. There is a population of about 200 million in our country's coastal areas where labor force is cheap in price and high in quality; transport conditions are ideal; the infrastructure is better than other areas; and the capacity for developing science and technology is fertile. Meanwhile, we have carried out reforms and opened up to the outside world for 9 years and our conditions for further absorbing foreign funds and entering the international market are being improved. This makes the new economic development strategy entirely feasible and practical.

It goes without saying that we should work hard to turn the possible into the feasible. As you well know, to build an export-oriented economy is not a strange thing to do in today's world. However, it is still new to our country which has closed itself to external contact for a long time. Making investment in our country is also something new for foreign businessmen. No doubt they should judge the hour and size up the situation. Still more should they see whether or not our economic development strategy is conducive to them.

In accordance with this new strategy we must blaze a new trail in using foreign investment funds, and at the same time we must be bold and resolute in discarding old concepts and reforming old structures. We must quicken our efforts to improve the foreign investment climate so that both our country and foreign investors will be able to acquire benefit.

The new trail must comply with the following requirements:

1. Foreign funds should be mainly used to transform existing old enterprises, and not to build new factories as we did before. Through the system of shares we should transform, on the previous industrial basis, key factory equipment with the help of foreign funds and foreign advanced technology. Only by so doing will we be able to shorten construction cycles and yield faster results, and will foreign investors be able to pocket their profits earlier and reap more benefit.

2. General speaking, introduction of foreign capital should not be in the form of credit loans but should be used to open factories. In particular, foreign investors should be encouraged to develop exclusively foreign-owned enterprises. Over the past few years more than 180 foreign-funded enterprises of different types have been established on the mainland. These enterprises are run directly by foreign businessmen and have their own marketing networks in the world, and their high-quality products have netted them big profits.

3. Chinese-foreign joint ventures and cooperative enterprises should be run directly by "foreign directors and managers" for a certain period of time. There are two unexpected things for foreign visitors to China: One is that they never expect factory equipment on the mainland to be so good, and the other is that they never expect the economic performance of enterprises to be so poor. The obvious reason explaining the poor economic performance is the low level of managerial expertise and competence. Allowing foreign investors to play a principal part in management can help Chinese staff learn from their managerial experience and competence and, what is more, can smash the old structure characterized by endless buck-passing, improve economic performance of enterprises, and benefit both the Chinese and foreign sides.

"Since there are advantages, all people are inclined toward them." The new economic development strategy for the coastal areas of our country will on the one hand benefit economic growth on the mainland and raise the people's living standards. On the other it will promote economic exchange in the world and the development of world trade. In addition to this it will create favorable conditions for those foreign investors who are competent and have courage and insight so as enable them to fully display their talents and show what they are capable of doing.

Yours faithfully

Bao Xin

25 Jan 1988

Textile Industry Faces Raw Material Shortage
OW150220 Beijing XINHUA in English 0158 GMT
15 Feb 88

[Text] Beijing, February 15 (XINHUA) — A shortage of cotton, wool and chemical fiber has become a major problem for China's textile industry, according to Minister of the Textile Industry Wu Wenying.

Cotton, which is the base for 60 percent of the raw materials used in the industry, is in short supply because farmers in south China think cotton production brings in less money than other crops, "CHINA DAILY" reported today.

Jiangsu Province, the biggest cotton producing base and the second largest textile exporter in China after Shanghai, was able to buy only 70 percent of the cotton it needed last year.

At the same time, the demand for cotton has been going up year after year. In 1985, 2.6 million tons of cotton were needed for the textile industry; in 1986, the figure reached 3.1 million tons, and last year, it again rose to 3.6 million tons. This year, 3.75 million tons of cotton will be needed.

After a bumper cotton crop in 1985 of 6 million tons, 2.5 million tons more than needed, the state took some measures to limit the planting of cotton. So in 1986 the output was 3.5 million tons, and last year it was 3.1 million tons, less than the state quota.

To solve the problem, the state began to encourage farmers to plant cotton again, offering a subsidy of 30.6 yuan and 35 kilograms of chemical fertilizer for every 50 kilograms of cotton.

Nearly half of the country's chemical fiber factories are also lacking raw materials, and local authorities and enterprises are encouraged to find the materials themselves.

Price Violations One Cause of Price Hikes
*OW151550 Beijing XINHUA in English 1546 GMT
15 Feb 88*

[Text] Beijing, February 15 (XINHUA)—Price control departments exposed 658,600 cases of state price policy violations last year, a State Administration of Commodity Prices spokesman announced today.

According to the spokesman, the violations added up to 1 billion yuan (about 270 million U.S. dollars), of which 789 million yuan (about 213 million U.S. dollars) have already been confiscated.

"Price policy violations were one of the main causes of price hikes last year," the spokesman said, "and local authorities need to do more to deter offenders."

Nei Monggol, Coastal Areas Links Encouraged
*OW140855 Beijing XINHUA in English 0850 GMT
13 Feb 88*

[Text] Beijing, February 13 (XINHUA)—Leading Chinese economists have called for greater economic coordination between resource-rich Inner Mongolia and the coastal regions.

This call came in a conference which ended last Thursday attended by Chinese leaders Ulanhu and Bo Yibo, and 20 economists and scholars, including Ma Hong, Huan Xiang and Yu Guangyuan. The meeting was convened by the government of the Inner Mongolia Autonomous Region to discuss the region's future development strategy.

Participants agreed that Inner Mongolia should supply coastal areas with energy resources and raw materials in exchange for money and techniques to stimulate its textile and light industries, agriculture and livestock breeding.

The Ordos grassland, which has verified coal reserves of 200 billion tons, should be given special attention, the participants said. The coalfield will eventually produce 120 million tons of coal annually, half of which should be used for power generation and the rest for export.

Bayan Obo, which accounts for about 80 percent of the world's rare-earth reserves, should also be developed more rapidly, the meeting agreed.

In his speech, Buhe, chairman of the regional government, pledged to give top priority to the development of energy, transport and communication sectors.

"We're also going to greatly expand agriculture, animal husbandry, forestry and rural industries and improve the educational level of people of all nationalities," he told the meeting.

Inner Mongolia has a population of 20 million in an area of 1.1 million square kilometers.

Guan Guangmei To Run Enterprises by Contract
*HK160147 Beijing ZHONGGUO XINWEN SHE
in Chinese 0639 GMT 2 Feb 88*

[Text] Shenyang, 2 Feb (ZHONGGUO XINWEN SHE)—The dismissal of noted reformist Bu Xinsheng, which has caused a furor, does not seem to worry Guan Guangmei. This reformist, who is equally well-known in China, recently said that she would run large enterprises on a contract basis and engage in the intertrade hiring business.

Guan Guangmei was formerly an ordinary shop assistant in a store in Benxi City, Liaoning Province. In the past few years, she has hired eight shops that suffered losses to form a large commercial group, the Dongming Commercial Group, in Benxi City. She is the general manager of the group. Last year, five of the eight enterprises of the Dongming Commercial Group increased their profits by nearly 600 % and the other three increased their profits by more than 300 %. This has given Guan Guangmei much confidence.

Guan Guangmei said: "I will not let the enterprises suffer heavy losses as Bu Xinsheng did. I will draw a lesson from him." Nevertheless, this heroine also held that a reformist is at the tip of the wave of reform and that, despite the determination to succeed, he or she is bound to have shortcomings and make mistakes and may even end in failure.

Guan Guangmei herself was once under serious attack. Thanks to her skillful management, the hired enterprises that once suffered losses began to make profits and her income became relatively high. Some people accused her of "taking the capitalist road." This led to the well-known "Guan Guangmei phenomenon," which attracted extensive attention in the mass media.

Newspapers To Raise Prices To Offset Losses
HK160837 Hong Kong HONGKONG STANDARD
in English 16 Feb 88 p 5

[Text] Major daily newspapers in China, including the official PEOPLE'S DAILY, are to cost more to offset heavy financial losses.

The amount of the increase, yet to be decided, will have to cover production costs of approximately eight to nine fen for each copy. At present, a major daily newspaper is sold for five fen.

Mr Du Daozheng, Director-General of China's media watchdog the Press and Publications Administration (PPA), told THE STANDARD yesterday the price must go up to cover serious losses over a long period.

"It is a very sensitive issue and measures will be taken at the appropriate time and with much prudence," said Mr Du.

Early this month, the CHINA NEWS SERVICE reported that seven daily newspapers in Beijing had suffered heavy losses last year because of increased production costs.

The seven papers, published in Beijing but with nationwide circulation figures of more than one million each, recorded losses of between two million yuan (HK\$4.2 million) and 20 million yuan (HK\$42 million).

Mr Du said the immediate effect of the price rise might be a reduction in the circulation and complaints from readers.

But he was quick to add that the CEN KAO XIAO XI (REFERENCE NEWS), a newsletter on newspaper excerpts for reference, had increased in price but its circulation had remained constant.

"Although newspapers are cultural commodities, it is still not good to freeze prices and let the government shoulder all the losses," he said.

The PPA chief said the sharp price increase in newsprint, distribution, printing charges and staff salaries all contributed to the industry's severe financial problems.

The price for major dailies has been controlled by the government and only changed once during the Cultural Revolution, from six fen to the current five fen.

Mr Du said departments on legal affairs, finance and commerce and prices would be consulted before a decision was made on the increase.

"The general consensus is to increase the price," Mr Du said. "The price has been too cheap. If the amount is reasonable, I don't think the people will complain about it."

He ruled out the possibility of closing down newspapers which had been suffering losses.

"These newspapers have too big an influence on the society at large. We cannot simply order closures," he said, but added that new press laws now being drafted by the PPA may make such a provision.

National Grain Production Entering Crisis
OW130344 Beijing XINHUA in English 1230 GMT
12 Feb 88

[Text] Beijing, January 12 (XINHUA)—With grain output down over the past three years, China's grain production has entered a crisis, the recent issue of the "CHINA FOOD JOURNAL" reported.

According to the report, last year, per capita grain output was 375.5 kilograms, or 20 kilograms less than in 1984.

The paper has blamed the situation on less being spent on agriculture, and pointing out the state has only been spending 3.4 percent of its capital construction funds on agricultural capital construction in recent years, while the percentage had been 11 for almost three decades.

Another problem is that in 1986, irrigated land was reduced by almost 660,000 hectares over 1980, while machine-tilled land also decreased by 4.4 million hectares, or 11 percent less than the 1980 figure.

Land under cultivation also went down 460,000 hectares a year between 1980 and 1985, while 1986 alone saw a decrease of 700,000 hectares.

The report blames these decreases on the excessive expansion of cities, industry and other non-agricultural projects.

By the turn of the century, the article predicts, China will have a population of 1.2 billion, and if each person annually consumes 400 kilograms of grain, the country will have to produce an additional 7.7 million tons of grain every year for the next 12 years.

The paper called for more efforts in reclaiming wasteland and improving low-yield farmland. According to the report, now about two-thirds of China's land under cultivation is low-yield and could be improved to put out an additional 1.5 tons of grain.

Editorial on Practice of Housing System Reform
HK160811 Hong Kong WEN WEI PO in Chinese
4 Feb 88 p 2

[Editorial: "Housing System Reform Conducted Throughout the Country"]

[Text] The national work meeting on housing system reform was held in Beijing some time ago. The meeting decided that from this year onward, housing system reform will be gradually carried out in a planned way throughout the country to realize gradually the commercialization of residential buildings in our country. As soon as people learned of the news that housing system reform will soon be carried out in our country, they were very happy, but at the same time, they were also worried. People are happy about the news because they think that housing system reform will eventually solve the long-standing housing problem and enable occupants to own their apartments; people are worried because they fear that rent will rise rapidly and they will be unable to afford it.

Our country's old housing system has many defects and is one of the symbols of social privilege in our country. Moreover, our country's old housing system has caused many social contradictions in our country. The old housing system is also a long-standing problem in our country's economy and has long been a bottomless pit for government financial expenditure. So, seemingly, over the past many years, residential apartments in our country have been distributed according to need under a housing supply system. In reality, because our society is still under the strong feudal influence, residential apartments have been distributed according to power, which means that those with power and positions are provided with better and bigger residential apartments and are allowed to enjoy better treatment and pay less rent. Because the people with power and positions have only had to pay a small part of the rent, the remaining part has been paid by the state in the form of rent subsidy. As a result, the bigger the residential apartments in which they live, the more rent subsidies the state must pay for these people. The people without power and positions have therefore only been able to lament their littleness before the vast ocean. If the rent is too low, more and more people will certainly want to live in bigger and better apartments. However, in reality, our country does not have enough bigger and better apartments to give to all those who want them. Moreover, if the rent is too low, it will be impossible to recover the investment made in the construction of the residential buildings and it will even be impossible to cover the maintenance fee of the residential buildings. As a result, the more residential buildings are built, the heavier the state burden will be. The construction of residential buildings is therefore often delayed and residential buildings are under inadequate maintenance. Still, the housing problem cannot be solved. And, since people pay a low rent, they will certainly have more money to buy other commodities, thus aggravating the contradiction between supply and

demand on the entire consumer goods market. Thus, such a housing system, which was once praised as a superiority of socialism, is actually a backward consumer goods distribution system.

People have long been dissatisfied with such a housing distribution structure. However, when the commodity economy had not yet been developed and many people still had reservations on the development of the commodity economy, it was impossible to put housing system reform on the agenda. However, since the control over consumer goods prices has been gradually relaxed, it has now become necessary to carry out housing system reform because residential apartments are one of the most important consumer goods in the people's daily life.

At present, housing system reform means to raise the rent to enable the rent to gradually approach the level of the market prices of the residential apartments. If one lives in a bigger and better apartment, one must pay more rent. Therefore, it will make things difficult for those who try to obtain bigger and better apartments by making use of their power and positions. In the meantime, it is necessary to "stimulate the people's desire to buy apartments by raising the rent." This is because when the rent gradually goes up, more people will want to buy apartments. As a result, residential apartments will eventually enter the commodity market and become a real commodity. The state will no longer shoulder the responsibility of providing residential apartments to a population of 1 billion and will be able to reduce its financial expenditure; people will be able to choose their residential apartments according to their own financial situation. As a result, some people will prefer to pay more rent in order to live in bigger and better residential apartments, while others will prefer to live in smaller and simpler residential apartments in order to save money.

However, things cannot be as simple as we think. Although people's salaries have been raised over the past few years, many people will still find it difficult to pay high rent. If the rent is too high, people's actual living standards will drop; as a result, people will tend to oppose the housing system reform. Therefore, rent should be raised on the basis of maintaining the original living standard of the people. It is inevitable that the state will provide people with some rent subsidies. In the past, when the state raised prices, the state always provided people with price subsidies. As a result, the state financial expenditure greatly increased. In order to reduce the state financial expenditure, the responsibility of providing rent subsidies should be entrusted to the enterprises, which will then use part of their profits to pay rent subsidies for the individuals. However, any part of the enterprise expenditure is a component of the product cost of the enterprise. Therefore, if an enterprise pays rent subsidies to the individuals, the product cost of the enterprise will rise. The increased portion of the product cost of the enterprise will eventually be recovered, together with other types of enterprise profit, when

the products are sold out. So, in order to recover the increased portion of the product cost of the enterprise, the enterprise will certainly raise its product prices, which will in turn keep fluctuating. Now, many people are unhappy about fluctuating product prices. We must be on guard against any possible consequences of rent rises. People usually appraise reform according to the degree of improvement of the people's material life, and if the people's material life is improved in the course of reform, people will naturally support the reform. On the other hand, if the people's material life deteriorates in the course of reform, people will naturally oppose reform.

So, to prevent housing system reform from causing the commodity price hikes is of vital importance to the reform's success.

It is necessary to carry out the reform of our country's old housing system. However, if the rent approaches the value of the residential apartments too rapidly, it will also cause disorder in society. Therefore, to exercise proper "control" over housing system reform is actually an important task of our country's economic work.

Noted Educator Ye Shengtao Dies in Beijing
OW161246 Beijing XINHUA in English 1121 GMT
16 Feb 88

[Text] Beijing, February 16 (XINHUA)—Noted Chinese educator, writer, publisher and social activist, Ye Shengtao, died in Beijing this morning at the age of 94.

Ye was vice-chairman of the Sixth National Committee of the Chinese People's Political Consultative Conference, honorary chairman of the Central Committee of the China Association for Promoting Democracy and president of the Central Research Institute of Culture and History.

He involved himself in education for more than 70 years. He also took an active part in patriotic activities in the war years and contributed to the victory of the people's revolution and the founding of New China.

After the founding of the People's Republic of China in 1949, he served as vice minister of education in addition to other important posts. He took pains to help promote the patriotic united front and the socialist revolution and construction.

East Region

Fujian's Chen, Others Visit Army Veterans *OW141129 Fuzhou Fujian Provincial Service* *in Mandarin 1100 GMT 12 Feb 88*

[Excerpts] Some provincial leaders visited some veteran comrades of the former Fuzhou Military Region at the latter's houses yesterday afternoon and this morning. The leaders gave their best regards to the army veterans and wished them happiness, health and long life. The leaders who paid the visits were Chen Guangyi, secretary of the provincial party committee; Wang Zhaoguo, governor of Fujian Province; (Lin Kaiqing), member of the Standing Committee of the provincial party committee and secretary of the provincial Discipline Inspection Committee; and Su Changpei, vice governor of Fujian Province. [passage omitted]

Comrade Chen Guangyi said to the Army veterans: In order to do Fujian's work well, we must have the Army's support. It won't work without the Army's support. Relations between the Army and the people have always been good and close. From now on, we will seriously implement the guidelines of the 13th National Party Congress, make joint efforts with the army to build both the spiritual civilization and the material civilization, and ensure good results in both.

Jiangsu Leaders Attend Spring Festival Party *OW150056 Nanjing Jiangsu Provincial Service* *in Mandarin 2300 GMT 13 Feb 88*

[Excerpt] A total of 3,000 people, including leading comrades of the Nanjing Military Region, Nanjing's Air Force units and military academies, the Jiangsu Provincial Military District, Jiangsu Province and Nanjing City, commanders and fighters of PLA units stationed in Nanjing, and representatives of the people from all walks of life gathered in Nanjing's Great Hall of the People yesterday afternoon for a soldier-civilian gala party. The party was jointly sponsored by the Jiangsu provincial government, the Political Department of the Nanjing Military Region, the Jiangsu Provincial Military District, and Nanjing City to celebrate the Spring Festival.

Attending the party were Du Ping, member of the Central Advisory Commission; leading comrades of the Nanjing Military Region, Nanjing's Air Force units and military academies, and the Jiangsu Provincial Military District including Xiang Shouzhi, Fu Kuiqing, Jiang Yutian, Zhang Ming, Yu Yongbo, (Zhao Zhao), Zhen Shen, Yue Dewang, (Zhang Mingyuan), (Shen Zhenghuan), (Wang Shiding), (Li Haihuan), (Cheng Shouliang), and (Qian Pihu). Also attending were leading comrades of Jiangsu Province and Nanjing City including Han Peixin, Gu Xiulian, Sun Han, Chen Huanyou, Sun Jiazheng, Hu Fuming, Gu Hao, Liu Lin, Zhou Ze, Li Zhizhong, Ling Qihong, Yang Yongyi, Zhang Xuwu, Li Shouzhang, Wu Xijun, Luo Yunlai, Gao Juefu, Chen

Minzhi, Cheng Bingwen, (Zhang Chenghuan), (Cao Keming), Zhang Yaohua, (Dai Shunzhi), (Liu Ping), (Ma Zhaozhong), (Fang Lin), (Pan Hantao). [passage omitted]

Jiangxi's Wan Shaofen Visits Veteran Comrades *OW161041 Nanchang Jiangxi Provincial Service* *1100 GMT 12 Feb 88*

[Excerpt] Yesterday and today, provincial leaders from the party, government, and military continued to call on veteran comrades. Yesterday afternoon, Wan Shaofen, Wu Guanzheng, Liu Fangren, Xu Qin, (Du Xiuzhen), and other leading comrades visited the veteran cadre ward of the Jiangxi Hospital to extend regards and Spring Festival greetings to veteran comrades. [passage omitted]

Shandong's Liang Buting on Electoral Reforms *SK130720 Jinan Shandong Provincial Service* *in Mandarin 2300 GMT 6 Feb 88*

[Excerpt] [Passage omitted] As soon as the vote at the first session of the seventh provincial People's Congress concluded on the morning of 6 February, reporters had an interview with Comrade Liang Buting at the Zhenzhuquan Auditorium rest hall on the subject of the reforms in electoral work at the congress session.

During the interview, he stated: [Begin recording] During the election at the congress session, we have enforced the nominating procedure of having more candidates than there are posts in our electoral work this time. For example, such a procedure has been adopted in electing deputies to the NPC session, vice chairmen of the provincial People's Congress Standing Committee, and vice governors of the provincial people's government.

In adopting such an election procedure, it is natural that three candidates for vice chairman of the provincial People's Congress Standing Committee and three candidates for vice governor of the provincial People's Government will fail to be elected. I think some of our comrades have not adapted well their thinking and viewpoint on the new reform. It would be very possible for them to feel ashamed after failing to be elected. I think it is a misunderstanding to regard a defeat in the election as proof that the candidates are not suitable for the posts. All of those who have been enlisted in the namelist of candidates are outstanding and have conditions for being elected. If they were elected, they would certainly be competent at their jobs.

The only reason we have adopted such an election procedure is because of the limitation of posts, and it is impossible for all candidates to be elected. Such a situation in conducting elections should be normal. Judging from the reform of the nominating procedure, we can associate the reforms in other electoral fields.

In conducting these electoral reforms, our major task is concentrated on recommendation work. In order to recommend adequate candidates to the session's presidium, we

have conducted work in various social circles since last August. In the course of recommendation, we have conducted reforms of practicality and enlarged democracy. The foundation for recommending these candidates is to determine whether they are closely related to the mass and have considerably good work ability.

For example, we have earnestly solicited opinions among the more than 1,000 responsible cadres and comrades of departments concerned at or above the city and prefectural party committee level. In the course of soliciting opinions, we have heard their opinions about the situation in the leading bodies of the provincial People's Government and the provincial People's Congress and on the work done by the government and the congress. In particular, we heard their opinions on the work done by the specific staff members of the government and the congress with regard to the achievements in their official career and their work results. We particularly solicited their criticisms of these staff members. After soliciting their opinions, we also mobilized them to recommend candidates for the next-term posts in the provincial people's government and the provincial People's Congress Standing Committee. Thus, we have obtained a recommendation that represents the province as a whole.

The namelist of candidates has also been formulated on the basis of extensively soliciting opinions and seeking extensive recommendations. Since formulating the namelist, we have also carried out earnest democratic consultations with various social circles, various democratic parties, and nonparty personages. Within the party, we have also carried out extensive consultations with the authorities of units and localities to which the candidates belong.

In the course of recommending candidates for posts, we have adopted some measures we did not use before. For example, (we have recognized candidates who have been collectively recommended by cadres.) This represents an important election reform.

In conducting this election we have not adopted the nominating procedure of having more candidates than there are positions in the post of chairman of the provincial People's Congress Standing Committee, governor of the province, president of the provincial Higher People's Court, and chief procurator of the provincial People's Procuratorate. We have not done so in these elections because there are no additional candidates for these positions. Therefore, we have carried out the election from among the same number of candidates in line with the Electoral Law. Had we had new candidates for these elections, we should have done the same as when electing the vice chairmen of the congress and provincial vice governors.

Another reform in the election is that after the candidate namelist is announced, it is possible for more than 10 deputies to jointly recommend a new candidate to the session. Such a measure has never been used at any

session of the provincial People's Congress. Also new candidates recommended jointly by the deputies and those on the namelist fixed by the authorities are represented equally. I think such an election reform can represent our work in enlarging socialist democracy and is an important link of our electoral work, to which those in the session have generally had a very good reaction. This has proved that we have achieved new development in carrying socialist democracy forward at the session. All of us have been fairly satisfied with this.

After the reform of enlarging socialist democracy, all deputies will be required to accurately exercise their power and elect their ideal candidates in line with the whole situation and the specific personal situation. Following the election, we are convinced that the leading bodies of the provincial People's Congress and the provincial People's Government are strong and competent and well qualified to conduct their work.

I contend that the election at the session is successful and that the newly elected leading bodies are certainly able to lead the people in successfully conducting the province's work and further developing the economy and construction throughout the province. [end recording]

Shandong's Liang Buting Attends Get-together
SK130347 Jinan Shandong Provincial Service
in Mandarin 2300 GMT 10 Feb 88

[Excerpts] On the afternoon of 10 February, the Shandong Provincial Gymnasium, which is located at the foot of (Yingxiong) Shan in Jinan, was permeated with a warm atmosphere. Leading comrades of the provincial party, government and military organizations, and more than 3,600 retired veteran cadres happily gathered there to talk with one another and extend cordial greetings to each other to celebrate the Spring Festival.

Among those present at this get-together and seated on the rostrum were Liang Buting, secretary of the provincial party committee; Lu Maozeng, deputy secretary of the provincial party committee; Jiang Chunyun, deputy secretary of the provincial party committee and provincial governor; Li Jiulong, commander of the Jinan Military Region; and Song Qingwei, political commissar of the Jinan Military Region. Also attending the get-together were leading comrades of the provincial party committee, the provincial Advisory Commission, the provincial Discipline Inspection Commission, the provincial People's Congress Standing Committee, the provincial government, and the provincial CPPCC Committee. These included Yang Yanyin, Cui Weilin, Gao Changli, Miao Fenglin, Zhang Quanjiang, Su Yiran, Wang Jinshan, Wang Chengwang, Wang Runzhai, Liu Zongqian, Li Yu, (Zhu Yongshun), (Gong Shun), Li Rong, Li Zhen, Lu Hong, Xiao Han, Wang Shufang, Xie Jianchun, Lin Ping, Zeng Chengkui, Xu Sen, Yang Qingqing, Li Ye, (Ma Xitao), Ma Zhongchen, Tan Qinglian, Li Chunting, Li Zichao, Zhou Zhenxing, Xu Wenyuan, Kong

Lingren, Ding Fangming, Jin Baozhe, Yang Da, Wu Minggang, Su Yingheng, and Miao Yongming. Also attending were Meng Zhaoju, president of the provincial Higher People's Court. Also attending were responsible comrades of the Jinan Military Region, the Air Force of the Jinan Military Region, and the Shandong Provincial Military District, including Zhang Zhijian, Lin Jigui, Jiang Futang, Zhang Zonglin, Yang Hanwen, and (Tao Pengsheng). Also attending were members of the Central Advisory Commission who were in Jinan, including Tan Qilong, Rao Shoukun, Chen Renhong, and Kong Shiquan. Also attending were the comrades retired from provincial leading posts, including Zhao Lin, Qin Hexhen, Wang Zhongyin, Xu Leijiang, Chen Lei, Zhu Benzheng, Gao Fengwu, Feng Lizu, Wang Weiqun, Mu Lin, Wang Xing, Zheng Ziji, Song Yimin, Zhang Jingtao, Zhou Xingfu, Li Sijing, Bai Yanbo, Wang Liang, Sun Hanqing, Feng Lejin, and Chen Fengjiu. Also attending were veteran comrades of the Jinan Military Region, including Xiong Zuofang, Ouyang Ping, Zhang Rusan, Pan Qiqi, Zhang Feng, Wang Jinquan, Sun Jixian, Zho Qi, Chen Meizao, Li Bo, Zhang Bingan, Fang Zheng, Li Suiying, Bao Bin, Zhang Zhi, Ren Sizhong, Zhou Shuiduo, Sun Youmin, (Hong Guogui), Zhao Feng, and (Li Daqing). Also attending were (Guan Shengzhi), (Liu Ying), and (Yang Dalun), veteran comrades of the Air Force of the Jinan Military Region.

The get-together was presided over by Comrade Liang Buting. Comrade Jiang Chunyun delivered a speech. On behalf of the provincial party committee and the provincial government, he, first of all, extended festive congratulations and cordial greetings to the fellow veteran comrades participating in this get-together, to the family members of the deceased veteran comrades, and to all retired cadres of the PLA units stationed in Shandong and various localities. [passage omitted]

Shandong's Liang Visits Party Figures
SK130643 Jinan Shandong Provincial Service
in Mandarin 2300 GMT 12 Feb 88

[Text] On the morning of 12 February, Liang Buting, secretary of the Shandong provincial party committee, and Lu Maozeng and Jiang Chunyun, deputy secretaries of the provincial party committee, visited responsible persons of various democratic parties and the provincial Federation of Industry and Commerce as well as personnel of relevant organs. The party committee officials extended early Spring Festival greetings to them, wishing them a happy Spring Festival and happiness in their families.

Liang Buting said: All democratic parties have actively supported the work of the Shandong provincial party committee. Let me extend heartfelt thanks to you for this. It is hoped that this year we will maintain better cooperation and achieve greater success.

Entrusted by the provincial party committee and government, that morning Liang Buting, Lu Maozeng, Jiang Chunyun, and other leading comrades also went in 5 groups to visit 75 veteran provincial-level cadres and

families of deceased provincial-level cadres to extend early Spring Festival greetings to them, wishing them a happy spring Festival, good health, and long life.

Wherever they went, leading comrades of the provincial party committee and government asked in detail about the veteran cadres' health and livelihood and praised them highly for their active contributions to the socialist revolution and construction. They expressed the hope that veteran comrades would continue to care for all fields of work, take good care of their health, and spend their remaining life peacefully.

Jiang Zemin Addresses Shanghai Tea Party
OW140359 Shanghai City Service in Mandarin
2300 GMT 12 Feb 88

[Excerpt] The Shanghai Exhibition Center banquet hall was illuminated and full of joy this afternoon [12 February] as the 1988 Shanghai Municipality Army-government-people Spring Festival tea party was held there. Some 400 people gathered there and chatted about Army-government and Army-people friendship. They included municipal party and government leaders Jiang Zemin and (Zhu Rongji), leaders of PLA units in Shanghai and the municipal Armed Police Corps, combat heroes and model workers, representatives of retired cadres, representatives of families of revolutionary martyrs and servicemen, representatives of disabled servicemen and army veterans, and personalities from various circles.

Jiang Zemin, secretary of the Shanghai Municipal CPC Committee and mayor of Shanghai, extended his festival greetings and cordial regards to the commanders and fighters of PLA Army, Navy and Air Force units in Shanghai and the armed police corps, on behalf of the Shanghai Municipal Party Committee and government and the people in Shanghai.

After briefing the guests on Shanghai's economic situation, Comrade Jiang Zemin said:

[Begin recording] While celebrating the past year's achievements, we will not forget that our achievements were also the result of the people's soldiers' sweat and energies. Last year, commanders and troops of PLA units and the Armed Police Corps in Shanghai, while fulfilling combat-readiness, guard, training, construction engineering, and productive duties, actively supported local economic development and made important contributions to Shanghai's socialist modernization. [end recording]

Jiang Zemin added: The commanders and troops of PLA units and the Armed Police Corps displayed the People's Army's glorious traditions and made new contributions to the people in helping Shanghai build key construction projects, maintain law and order, deal with emergencies and natural disasters, and prevent and treat diseases. They played a very important role in building the two civilizations in Shanghai.

In conclusion, Comrade Jiang Zemin said:

[Begin recording] In the new year, we should do even better in supporting the Army and giving preferential treatment to Army families and bring about even more harmonious Army-government and Army-people relations in Shanghai, so that soldiers and people will work together to make even greater contributions to Shanghai's development and to China's four modernizations.[end recording]

On behalf of the officers and men of the PLA units in Shanghai and the municipal armed police corps, Yang Zhifan, political commissar of the Shanghai Garrison Command, extended his festival greetings to the municipal party and government leaders and the people of Shanghai. [passage omitted]

Shanghai Mayor Visits Chemical Accident Site
OW160631 Shanghai City Service in Mandarin
1100 GMT 14 Feb 88

[Text] Explosions erupted early this morning at the (Pengpu) Chemical Plant in the city, emitting pungent gas. Jiang Zemin, municipal CPC secretary and mayor, and Ni Tianzeng, vice mayor, rushed to the scene and demanded proper handling of the incident and the aftermath.

At 2:20 this morning, a tank full of diethyl ketone liquid in a workshop in the plant suddenly exploded. The loud explosion awakened surrounding residents in shock. Poisonous gas was emitted in large quantities. An hour and a half later, another, larger tank in the workshop exploded and caught fire.

According to witnesses, poisonous smoke shrouded the whole plant and adjacent streets. Workers on duty at the post office across the street immediately felt dizzy and nauseous, and could not work. Some 1,100 bags of mail destined for suburban counties and for further transfer were thus delayed. Residents of neighboring Futai New Villa and [words indistinct] got out of bed and ran for their lives.

No casualties resulted from this accident. The cause of the accident and direct economic damage are under investigation.

Central-South Region

Guangdong's Lin Attends Army-Government Forum
HK130455 Guangzhou Guangdong Provincial Service
in Mandarin 0400 GMT 13 Feb 88

[Excerpts] The provincial party committee and government and Guangzhou Military Region held a spring festival Army-government forum in the Guangdong Guesthouse yesterday. [passage omitted] The participants pledged to further strengthen Army-government and Army-people unity in the new year. Provincial party committee Secretary Lin Ruo and Governor Ye Xuanping spoke extending new year greetings to the Army,

Navy, Air Force, and Armed Police units in the province, and also outlined the province's economic situation and ideas on further reform and opening up. Guangzhou Military Region Commander Zhang Wannian spoke on the achievements of the PLA units.

Guangxi Leaders Attend Spring Festival Party
HK130700 Nanning Guangxi Regional Service
in Mandarin 1030 GMT 11 Feb 88

[Excerpts] The autonomous regional association for science and technology this morning held a Spring Festival get-together of scientists and technicians at the Guangxi Autonomous Regional Science Hall. [passage omitted]

Attending the get-together were Chen Huiguang, secretary of the autonomous regional party committee; Li Zhenqian, deputy secretary of the autonomous regional party committee and chairman of the regional Science and Technology Commission; and Hou Depeng, Standing Committee member of the autonomous regional party committee and director of the Propaganda Department under the regional party committee. [passage omitted]

Guangxi Leaders Extend Regards to PLA Units
HK150109 Nanning Guangxi Regional Service
in Mandarin 1030 GMT 14 Feb 88

[Excerpts] Yesterday afternoon, regional party and government leaders Chen Huiguang, Wei Chunshu, Tao Aiying, and others visited the Guangxi Military District and the Air Force stationed in Guangxi to extend Spring Festival greetings to the commanders and fighters. [passage omitted] Leaders of the military district and the Air Force including Li Xinliang, Xiao Xuchu, (Peng Gongge), and (Yu Quanfu) thanked the regional party committee and government for supporting the building of the PLA. [passage omitted]

Hainan Leaders Attend Spring Festival Forum
HK130650 Haikou Hainan Island Service
in Mandarin 1100 GMT 11 Feb 88

[Excerpts] A Spring Festival forum of Hainan party, government, and Army leaders was held in Hainan's (Qiongyan) Hotel yesterday afternoon. Xu Shijie, head of the preparatory group for the establishment of Hainan province; Liang Xiang, deputy head of the preparatory group; and some 70 Hainan party, government, and Army leading comrades gathered happily and talked freely about the favorable situation of establishing Hainan province, running Hainan as a large special zone, soldiers and civilians jointly building the island, and spoke of the fish-and-water friendship between the Army and the government and between the Army and the people.

Comrade Yao Wenxu presided over yesterday's forum. On behalf of the preparatory group for the establishment of Hainan Province, the Hainan regional party, and the Hainan regional government, Comrade Meng Qingping

first extended regards and season's greetings to all commanders and soldiers of the PLA and armed police units stationed on Hainan Island, to family members of servicemen and martyrs, and to demobilized and transferred servicemen. [passage omitted]

Henan's He Attends Spring Festival Gathering
HK160103 Zhengzhou Henan Provincial Service
in Mandarin 2300 GMT 15 Feb 88

[Excerpt] Some 12,000 soldiers and people in Zhengzhou held a grand Spring Festival get-together last night. The gathering was attended by leading comrades of the party, government, and Army in the province and city including Yang Xizong, Cheng Weigao, Zhao Di, Yao Minxue, Zhang Shude, Yan Jimin, Han Jingcao, Zhan Jingwu, and Dong Guoqing. [passage omitted]

Hubei Leaders Comment on Propaganda Work
HK151334 Wuhan Hubei Provincial Service
in Mandarin 1000 GMT 11 Feb 88

[Excerpts] From 5 to 8 February, the Propaganda Department of the provincial party committee held in Wuchang a provincial meeting of Propaganda Department directors at prefectural and city levels. The meeting relayed the spirit of the national conference of Propaganda Department directors and conscientiously studied Comrade Hu Qili's important speech. [passage omitted]

On the morning of 6 February, Guan Guangfu and Qian Yunlu, secretary and deputy secretary of the provincial party committee, attended the meeting and held talks with delegates there. [passage omitted]

Comrade Guan Guangfu said: In deepening the study and publicity of the report to the 13th National Party Congress, we must put stress on further emancipating the mind, use the spirit of the 13th National Party Congress to solve real problems in reform and socialist modernization, and further liberate the productive forces. [passage omitted]

Comrade Guan Guangfu said: It is imperative to stress unity within the propaganda ranks. The basic line of the initial stage of socialism must be used as the criterion for judging and deciding what is right and what is wrong. We must guard against quarrels about the rights and wrongs of personal cases and must not try to square old accounts. The vast numbers of cadres on the propaganda front have been actively implementing the party's line, guiding principles, and policies. [passage omitted]

Hunan's Mao Attends Army-Government Forum
HK160257 Changsha Hunan Provincial Service
in Mandarin 0100 GMT 16 Feb 88

[Excerpts] Xiong Qingquan, deputy secretary of the provincial party committee and governor, spoke at a provincial Army-government forum yesterday morning. On behalf of the provincial party committee and government, he thanked the commanders and fighters of the PLA and armed police

in Hunan for their great support for local construction. He expressed the hope that they will work with common efforts to make new contributions to deepening the reforms and invigorating Hunan's economy in the new year. Provincial Party Committee Secretary Mao Zhiyong presided at the forum. [passage omitted]

Southwest Region

Sichuan Leaders Attend Army-People Gathering
HK130243 Chengdu Sichuan Provincial Service
in Mandarin 0100 GMT 13 Feb 88

[Excerpts] The Sichuan and Chengdu governments and the Chengdu PLA units held a grand gathering to support the Army and cherish the people in the Jinniu Hotel in Chengdu yesterday. Nearly 300 army and local comrades gathered, including Yang Rudai, Gu Jinchai, Feng Yuanwei, Yang Wanxuan, He Haoju, Lu Dadong, Tian Bao, Yang Chao, and Zhang Lixing, responsible comrades of the party and government of the province and city; and Fu Quanyou, Hou Shujun, and Li Shuo, leaders of Chengdu Military Region. Chengdu Mayor Hu Maozhou presided.

Zhang Haoruo, deputy secretary of the provincial party committee and governor, made a speech extending greetings to the PLA and People's Armed Police. [passage omitted] Ma Bingchen, member of the Standing Committee of the Chengdu Military Region CPC Committee and deputy commander, also spoke. [passage omitted]

Sichuan's Yang Views Militia Role in Reforms
HK140452 Chengdu Sichuan Provincial Service
in Mandarin 0100 GMT 14 Feb 88

[Text] How should the backbone and leading role of the militia be given scope in reforms? Yang Rudai, secretary of the provincial party committee and director of the provincial People's Armed Forces Commission, said at a work meeting of the commission on 11 February that the people's armed forces departments at all levels have probed and created some good methods in this respect in recent years.

Just when the rural areas were instituting the production responsibility system, the Guanghan County People's Armed Forces Department mobilized the militia to take the lead in contracting. Following the further relaxation of the rural economic policies, the department mobilized the militia to take the lead in striving to become specialized households, in running township and town enterprises, and in developing commodity production. Their experience is: Mobilize the militia to promote the four modernizations, and center militia work on the four modernizations. General Secretary Zhao Ziyang endorsed their experience while he was working in Sichuan.

Since popularizing the Guanghan experiences in recent years, the militia have actively taken the lead in invigorating the economy. They have also played a very good role in stimulating rural economic structural reforms.

Comrade Yang Rudai said: In the future, we must continue to center our efforts on one core and organize and mobilize the militia to take part in economic construction, to protect the fruits of reform, and to take the lead in helping the poor areas. They should set up township and town enterprises and economic combines in light of local conditions and contract for engineering projects and the improvement of barren mountains and waters. We should strive to ensure that militia training bases develop in the direction of joint military and civilian use, with a variety of functions and greater economic returns, so as to serve local economic and national defense construction. They should work hard to promote the development of the social productive forces.

Xizang Leaders Speak With Lhasa Residents
HK130244 Lhasa Xizang Regional Service
in Mandarin 1430 GMT 11 Feb 88

[Excerpts] On the morning of 10 February, the autonomous regional party committee and autonomous regional people's government jointly invited representatives of the masses of Chengguan District in Lhasa City to a forum held in a conference room on the second floor of the Xizang Regional Party Committee Office Building. (Lozong), representative of the (Shengli) neighborhood committee, (Dawa), representative of the (Tongcaitang) neighborhood committee, (Lozong), representative of the (Zhahuo) neighborhood committee, and (Gesang Doje), representative of the (?jiye) neighborhood committee, held a dialogue with Wu Jinghua, secretary of the autonomous regional party committee, Doje Cering, chairman of the autonomous regional people's government, Pudoje, vice chairman of the autonomous regional People's Congress Standing Committee, and Qu Jia, secretary of the Lhasa City party committee. The dialogue lasted more than 3 hours. [passage omitted]

After listening to the views and opinions of the representatives of the masses, Comrade Wu Jinghua said: This year has just begun. You are invited to the regional party committee office building to express your valuable views and opinions. This is the first invitation only. From now on, we will visit neighborhood committees and the homes of the masses with the purpose of holding dialogues with people there. I hope that you will all make more comments and suggestions regarding our work so as to enable us to improve our work. [passage omitted]

Xizang Leaders Attend Spring Festival Party
HK130523 Lhasa Xizang Regional Service
in Mandarin 1130 GMT 12 Feb 88

[Excerpt] According to XIZANG RIBAO, on 11 February, the regional Nationalities and Religious Affairs Commission and the Xizang branch of the Buddhist Association of China held a tea party at the regional CPPCC club to greet the spring festival. Present were responsible comrades of the regional party committee, People's Congress Standing Committee, government,

and CPPCC including Wu Jinghua, Pagbalha Geleg Namgya, Dangzin, Sengqen Lozong Gyaincain, Pudoje, Langjie, and Jangzhong Zhaxidoje. [passage omitted]

Xizang Leaders on Press Coverage of Riots
HK160305 Lhasa Xizang Regional Service
in Mandarin 1130 GMT 14 Feb 88

[Text] On the evening of 13 February, the Propaganda Department under the autonomous regional party committee and the Xizang Autonomous Regional Journalists Association solemnly held a mass rally at the Xizang People's Broadcasting Station to commend the news media for coverage of the suppression of the riots last year.

Comrade Wu Jinghua, secretary of the autonomous regional party committee, and Comrades Raidi and Dangzin, deputy secretaries of the regional party committee, attended the rally and presented prizes and honorary certificates to 32 advanced journalists in covering the suppression of the riots last year.

The two riots in Lhasa last year were incited and engineered by the Dalai clique. They were instigated by a small number of separatists. The riots constituted a serious political struggle. During this struggle, the vast numbers of journalists in our region were steadfast in their stand, took a clear-cut stand, consistently stood in the forefront of the struggle, and displayed the characteristic keenness of journalists and a high degree of sense of political responsibility. During the riots, many journalists feared neither hardship nor danger. They immediately responded to calls, bravely headed straight for the scenes of the riots, covered the riots, and rushed to get the scenes photographed and videotaped, thus making contributions to the suppression of the riots.

Comrades Wu Jinghua, Raidi, and Dangzin delivered important speeches at the commendation rally. They fully affirmed and highly praised the achievements scored by the vast numbers of cadres, staff members, and workers on the media front in publicizing the party's general and specific policies, reflecting the voice of the masses, strengthening the ties between the party and the masses, and particularly in the coverage of the suppression of the riots in Lhasa. They also pointed out the existing problems in news work. During last year's suppression of the riots in Lhasa, there were problems created by news reports that were inconsistent with the facts as well as news reports that were seriously inconsistent with the facts. Such news reports have done harm to the reputation of the party's information service and the prestige enjoyed by the party and government, produced harmful and adverse effects on the vast numbers of cadres and people, and brought some unnecessary troubles to the party and government work.

At the commendation rally, Comrades Wu Jinghua, Raidi, and Dangzin sincerely noted: Journalists are entrusted with the important task of supplying the leading party organs with material for policy making purpose, and of conveying

the party's general and specific policies to the masses. This is a serious task which is of great importance to implementing policies. From now on, to enhance the party's prestige and the prestige of the party's information service and to enable the news media to truly become the mouthpiece of the party, our news reports must strictly and rigorously uphold and safeguard the truthfulness of news, which is the basic principle.

They added: Truthfulness is the life of news. Safeguarding the truthfulness of news is our news units' most essential and urgent task. It is imperative to pay close attention to successfully carrying out this task. We must also strengthen the training of qualified journalists, and truly build up an army of economic reporters who are able to pass the stiffest tests in politics, professional work, ideology, and work style. Next, we must promote the building of news units, carry out the renewal of communication equipment, improve transport facilities, and gradually suit the needs of modern news reporting, with the purpose of enabling our news media to make a mighty advance in the new year.

North Region

Tianjin's Li Meets Industrial Entrepreneurs
SK150142 Tianjin City Service in Mandarin
2300 GMT 12 Feb 88

[Text] On the afternoon of 12 February, Li Ruihuan, secretary of the municipal party committee and municipal mayor, and other municipal leading comrades, including Wang Xudong, Zhang Lichang, and Zheng Wantong, held informal talks with some industrial entrepreneurs in Tianjin to jointly discuss major plans for deepening reform and further developing the municipality's industrial economy.

(Zhang Shilun), special model worker of Tianjin, took the floor first. Last October, (Zhang Shilun) contracted a money-losing enterprise—the Haihe plastics plant. He boldly conducted reform and succeeded in making the enterprise earn a profit of 110,000 yuan over the short span of 3 months, which was equivalent to the total profits earned over the past 10 years. He particularly introduced his experience in strengthening democratic management and relying on workers to run the plant.

Mayor Li Ruihuan agreed with his viewpoints. He said: The fundamental purpose of reform is to fully mobilize the masses' enthusiasm and creativity and enable them to rationally display their creativity in an effort to raise productive forces. This should be manifested over the entire course of reform.

(Xing Qihu), director of Tianjin bicycle plant; (Liu Jinxing), manager of the (Huyan) equipment company; (Ye Jintai), manager of the (Zhonghua Hongza) elections company; (Ma Kezheng), director of the Tianjin chemical works; and (Chai Zhujin), director of (Shuangjie) steel pipe plant in the north suburban area, in line with

their own enterprise situations, talked freely about how they strengthened scientific policymaking under the stimulation of reform and opening up, and how they achieved quick progress in developing export-oriented industry. They proposed that efforts be made to accelerate reform of the foreign trade structure and allow enterprises to directly understand the international markets and participate in international competition.

Mayor Li Ruihuan said: We should accelerate the pace of opening up, actively develop the three forms of import processing and compensation trade, fully use all sales channels, and develop the system of establishing foreign trade agencies. In addition, we may adopt the method of making joint investments with foreign firms, and make use of foreign firms' sales channels, market information, and managerial skills to allow more Tianjin products to enter international markets. At the same time, we may take advantage of the existing factory buildings of old enterprises to expand joint investment with foreign firms in an effort to open a path for accelerating transformation of old enterprises.

(Song Lijin), secretary of the party branch of the No 1 flour mill, jointly contracted a plant with the plant director (Liu Lanxiang) in 1985. Through a series of reforms, they succeeded in making the enterprise end deficits and earn profits over a short period of time. During the forum, (Song Lijin) offered several suggestions to municipal leaders. He called for studying measures on conducting a whole range of reforms in medium and small-sized enterprises and for invigorating business; developing sales channels; establishing organs to handle the flow of funds and labor markets; and enabling medium and small-sized enterprises to play a greater role in invigorating Tianjin's economy. He also suggested the relevant departments strengthen propaganda and study reform theories.

Mayor Li Huihuan wrote down in his notebook all suggestions and opinions raised by entrepreneurs and instructed the relevant departments on the spot to solve the practical problems of the enterprises. He also announced that efforts be made to comprehensively promote and deepen the contract responsibility system in business operations and strengthen the enterprises' vitality and momentum. On the premise of guaranteeing fulfillment of financial tasks, all enterprises may retain the aforementioned contract-quota income for technological transformation. His words won enthusiastic applause from entrepreneurs.

Mayor Li Ruihuan stated: I am very glad to hear the entrepreneurs' views and I am very inspired. This shows that from the grass-roots enterprises a great number of advanced entrepreneurs have emerged who have taken practical measures in line with the reform and opening up policies of the central authorities. This is our actual strength and foundation for achieving steady economic development. Over the past few years, Tianjin has witnessed rapid industrial development and good economic

results. We rank among the best in the entire country in the ratio of delivering financial revenues to the state and in financial growth. This is the result of the joint efforts of the broad masses of cadres and workers on Tianjin's industrial front. Let me take advantage of this opportunity to thank them and extend Spring Festival greetings to them. Li Ruihuan said: Over the past few years, our municipality has focused its work on economic development and has unceasingly increased industrial input. From 1985 to 1987, we invested on the order of 3 billion, 3.5 billion, and 4.1 yuan in industry. At the same time, we gradually reduced investment in urban capital construction on the order of 460 million, 320 million, and 250 million yuan. Amid such a situation in which we have only a limited amount of funds, our municipality, in line with the principle of achieving great results with small consumption, have accelerated urban infrastructures, including energy and communications, and have improved water resources and built roads. This has not only made things convenient for the people's livelihood, but has also helped to improve conditions for industrial production and create conditions for an industrial leap. Facts show that our municipality's urban infrastructure and economic development are well coordinated. Li Ruihuan said at the end of his speech: We should correctly appraise our municipality's industrial production situation. While we should unceasingly improve our work and raise the industrial production level, we should also summarize our achievements and intensify confidence in continuously forging ahead. At present, the municipal industry economy has many favorable conditions. For example, we have already established a group of large and medium-sized projects and have expanded the amount of foreign capital for use. In addition, we have strengthened the infrastructure, which is our momentum. The great enthusiasm of workers is also momentum for development. We also have entrepreneurs who have accumulated rich experiences over the course of reform. These competent personnel also form great momentum. He expressed hope that cadres and workers on the municipal industrial front will enhance spirit, work in unity, and make greater contributions to developing the municipality's industrial economy.

Tianjin's Li Attends Get-Together 14 Feb
SK150800 Tianjin City Service in Mandarin
2300 GMT 14 Feb 88

[Text] On the evening of 14 February, the municipal party committee and government held a get-together for veteran cadres at the Cadres Club to greet the Spring Festival. More than 2,000 veteran cadres watched the literary and art performances and joined the entertainment activities in a joyous mood.

Before the get-together opened, leading comrades, including Li Ruihuan, came to the lobby to meet and exchange regards with the veteran comrades. Amid an atmosphere of unity and joy, Comrade Li Ruihuan extended early Spring Festival greetings to veteran comrades throughout the municipality on behalf of the

municipal party committee, the municipal People's Congress Standing Committee, the provincial government, and the provincial CPPCC Committee. He wished all veteran comrades a happy Spring Festival, best wishes in everything, and good health and long life.

Li Ruihuan said: Tianjin has achieved remarkable progress in the past year in all fields of work. We should attribute our achievement first to the correct leadership of the party Central Committee and then to the implementation of the guidelines of the 13th party congress and all policies and principles. During the course of reform, opening up, and the four modernization construction, veteran comrades of Tianjin have actively supported our comrades who are working on the forefront from all angles and in various forms. This is a decisive factor for Tianjin to win victory and to achieve steady development. Let me extend lofty respects and heartfelt thanks to veteran comrades on behalf of comrades on the forefront.

Li Ruihuan said: This year we will witness a new situation. It is currently a critical moment for the Tianjin Government to make further progress. According to General Secretary Zhao Ziyang's tentative strategic plan for economic development in the coastal areas, Tianjin will undergo tremendous changes. We will certainly encounter many problems and difficulties in our work. Veteran comrades have a better understanding of Tianjin's situation and have rich leadership experience and a fairly high theoretical level. We hope that veteran comrades will continue to give us support and help if your health permits.

Municipal leading comrades, including Tan Shaowen, Nie Bichu, Wang Xudong, Ji Zenghui, He Guomo, Zhang Dinghua, Lan Baojing, Bai Hua, Zhao Jun, Liu Zengkun, Xu Ming, Shi Jian, Li Changxing, Xiao Yuan, Li Yuan, Zheng Wantong, and Huang Yanzhi; and veteran comrades, including Liu Gang, Wang Enhui, Lu Da, Li Shusen, and Tan Songping, attended the get-together.

Northeast Region

Heilongjiang's Sun Attends Army Gathering
SK130650 Harbin Heilongjiang Provincial Service
in Mandarin 2200 GMT 12 Feb 88

[Excerpt] On the morning of 12 February, provincial-level organs held a get-together for veteran Red Army soldiers and cadres to greet the Spring Festival. More than 2,000 veteran Red Army soldiers and cadres and personnel engaged in veteran cadres work gathered happily at the Harbin Workers Cultural Palace to greet the Spring Festival.

Sun Weiben, secretary of the provincial party committee; Hou Jie, provincial governor; Wang Zhao, chairman of the provincial CPPCC Committee; Chen Yunlin,

provincial vice governor; and Wang Haiyan, member of the Standing Committee of the provincial party committee, and other leading comrades attended the get-together. [passage omitted]

Jilin's Gao Di Addresses CPC Plenary Session
SK130640 Changchun Jilin Provincial Service
in Mandarin 2200 GMT 11 Feb 88

[Excerpts] The Seventh Plenary Session of the Fourth Jilin Provincial CPC Committee concluded on 11 February. The session unanimously approved the decision on convening the Fifth Jilin Provincial CPC Congress in May 1988.

The major items on the congress' agenda are to hear and discuss the work report of the fourth provincial party committee and the work reports of the provincial Advisory Commission and the provincial Discipline Inspection Committee; to elect members of the fifth provincial party committee, the provincial Advisory Commission, and the provincial Discipline Inspection Commission; and to arouse all Communist Party members throughout the province to earnestly implement the spirit of the 13th CPC Congress, to publicize the party's basic line of the initial stage of socialism, to further emancipate minds, to be vanguards in conducting reforms, and to unite as one and wage arduous struggle to greet the convocation of the fifth provincial party congress with outstanding achievements. [passage indistinct] [passage omitted]

Comrade Wang Zhongyu presided over the afternoon session on 11 February, at which Comrade Gao Di delivered an (important speech). [passage indistinct]

In his speech, Comrade Gao Di emphatically pointed out: Along with the development of reforms and practice, we have gradually deepened our understanding of the reform but have not done enough in this regard. In improving our ideas, we have not done enough in opening to the outside world. This is closely related to the long-standing closed state of affairs and to the lack of practice in opening to the outside world throughout the province over the past few years and the lack of ideological emancipation. Therefore, in order to accelerate the pace of conducting reforms and opening to the outside world, we should develop productive forces and actively emancipate minds. To emancipate minds, it is imperative that concepts be renewed. Grasping the tasks of emancipating minds and renewing concepts means to grasp the basic spirit of the 13th CPC congress. Only by grasping the tasks of emancipating minds and renewing concepts will we be able to deepen the study and publicization of documents adopted at the 13th CPC Congress and deepen reforms in various fields.

Referring in his speech to the current reform and economic work, Comrade Gao Di stated: The current emphasis of reforms in economic systems is to improve the business mechanism within enterprises. The method adopted in this regard is to integrate the responsibility

systems at all levels with the measure of establishing banks in plants and with the full workload method. In introducing competition, efforts should be made to introduce experts and science and technology from large enterprises, scientific research units, higher educational institutions, and developed areas and to establish lateral economic associations in order to promote the drive to open to the outside world. In introducing the risk-taking mechanism, attention should be paid to taking a stable step in enforcing the system of contracting responsibility by the entire work group. Enforcing responsibility systems among all counters in stores represents the important breakthrough of reforms in commercial systems. [sentence indistinct].

In his speech, Comrade Gao Di also described the situation in the fields of (?enforcing the plant director responsibility system) and of [passage indistinct]. He urged party committees and governments at all levels realistically to grasp the study and publicization of documents adopted at the 13th CPC Congress. [passage indistinct] [passage omitted]

Jilin's Gao Attends Cadres Get-Together
SK130655 Changchun Jilin Provincial Service
in Mandarin 2200 GMT 12 Feb 88

[Text] On the morning of 12 February, the main hall of the activity center for provincial-level organs was filled with songs and laughter. The get-together for veteran cadres of provincial-level organs to greet the Spring Festival warmly proceeded there.

Responsible comrades of the provincial party committee, the provincial Advisory Commission, the provincial People's Congress Standing Committee, the provincial government, and the provincial CPPCC Committee, including Gao Di, Wang Daren, He Zhukang, Wang Zhongyu, Zhang Fenggi, and Liu Yunzhao; and more than 250 retired veteran cadres, including Zhao Xiu, Yu Lin, Zhang Kaijing, Yang Zhantao, (Xu Linqi), Liu Cikai, Che Mingqiao, Yang Zizhao, Wang Guangchao, and He Yunqing, gathered happily under the same roof to review the past and look forward to the future and to recall their friendship.

Comrade Gao Di said warmly: Our province achieved fairly good progress in various fields of work last year. This progress was based on past achievements and was made with the support of all veteran comrades. On behalf of the provincial party committee and government, let me extend heartfelt thanks to all veteran comrades. During this year, we will do a better job under the guidance of the spirit of the 13th party congress and with the support of the veteran comrades and will render better services to retired veteran comrades. We will make sure that veteran comrades have work to do, have people to support them, and have a happily life during their remaining years, and we wish them good health, long life, a cheerful state of mind, and happiness in their families.

At the get-together, some singers comedians, and Beijing opera performers presented cheerful and interesting literary and art performances to the veteran cadres. Some veteran cadres also participated spiritedly in all kinds of entertainment programs.

Jilin's Gao Di Attends CPPCC Tea Party
SK150342 Changchun Jilin Provincial Service
in Mandarin 1030 GMT 13 Feb 88

[Text] To joyfully celebrate the Spring Festival of the year of the dragon, this afternoon, the Jilin Provincial CPPCC Committee held a tea party.

Attending the tea party were leading comrades of the provincial party committee, the provincial Advisory Commission, the provincial People's Congress, the provincial government, and the provincial CPPCC Committee. Also attending were former chairman, vice chairmen of the provincial CPPCC Committee, and retired deputy directors of provincial-level organs; and responsible comrades of the United Front Work Department of the provincial party committee, provincial democratic parties, the Federation of Industry and Commerce, the provincial Nationalities Affairs Commission, the Taiwan Fellowship Association of Taiwan Compatriots, the Taiwan Affairs Office, the Federation of Returned Overseas Chinese, the Overseas Chinese Affairs Office, the provincial counsellor department, the provincial Whampoa Fellow-Students Association, the provincial Socialist Institute, and various committees and departments of the provincial CPPCC organs.

The tea party was presided over by Liu Yunzhao, chairman of the provincial CPPCC Committee. Gao Di, secretary of the provincial party committee; He Zhukang, deputy secretary of the provincial party committee and provincial governor; Zhang Shiying, vice chairman of the provincial Advisory Commission; and Huo Mingguang, chairman of the provincial People's Congress Standing Committee, respectively gave speeches at the party. They extended Spring Festival greetings to the people of all circles. In their speeches, they fully affirmed the role of the provincial People's CPPCC and the United Front Work Department in promoting the province's reform and opening-up, and earnestly hoped that the provincial CPPCC committee and the United Front Work Department would unceasingly expand the road to participate in and discuss political affairs and to give democratic supervision, and would make new contributions to realizing the great cause of reunifying the motherland and invigorating Jilin.

Guan Mengjue, vice chairman of the provincial CPPCC Committee and chairman of the provincial committee of the China Democratic League, gave a speech on behalf of the people from various circles. Zhang Kaijing, adviser of the provincial Whampoa Fellow-Students Association, also addressed the tea party.

Liaoning's Quan Discusses Opening of Liaodong
SK140321 Shenyang Liaoning Provincial Service
in Mandarin 1030 GMT 10 Feb 88

[Text] After a 4-day session, the work conference on opening the Liaodong peninsula to the outside world concluded in Shenyang on the afternoon of 10 February.

Quan Shuren, secretary of the provincial party committee, made a summary speech entitled "Carry Forward the Spirit of Self-confidence, Self-improvement, and Self-reliance To Accelerate the Pace of Opening Liaodong Peninsula to the Outside World." His summary speech included three major parts: First, the key to rejuvenating Liaoning's economy lies in accelerating the export-oriented economic development in Liaodong peninsula. Second, the key to accelerating the pace of opening Liaodong peninsula to the outside world hinges on flexibly implementing the policies of the central authorities. Third, cultivating skilled personnel is a prospect for accelerating the export-oriented economic development in Liaodong peninsula.

With regard to the issue of flexibly implementing the policies set forth by the central authorities, Quan Shuren said: In line with Liaoning's actual conditions, the province should flexibly and effectively implement the policies set forth by the CPC Central Committee and the State Council and should handle the affairs that should be handled. According to the analyses made by relevant departments through investigations, less than 20 % of the localities throughout the province have truly implemented the policies on reform and opening the country to the outside world that were set forth by the central authorities and the province, and less than one third of the localities have partially implemented these policies. Thus, relevant provincial, city, and county departments should proceed from reality to flexibly implement the policies and regulations set forth by the higher levels.

He stressed: Although the people who contribute to enhancing productive forces, increasing revenues, creating more foreign exchange through exports and improving people's livelihood may suffer setbacks, they will be finally commended as long as they have no ulterior motives nor have an aim of gaining selfish ends at the expense of public interests. On the other hand, people who do not give serious thought to anything, drift along, refuse to conduct reform or open the country to the outside world, or fail to make progress have really made mistakes.

Quan Shuren continued: In order to implement the policies fully and flexibly, we should truly unify the thinking of the entire party and all the people with the call of taking economic construction as a key construction; consciously serve the work of accelerating the export-oriented economic development in Liaodong peninsula; and truly form a climate in which everyone emphasizes reform and the opening to the outside world,

in which everyone exerts efforts to promote the development of reform and the opening up to the outside world, and in which everyone gives convenience to the development of the export-oriented economy.

With regard to the issue that cultivating skilled personnel is a prospect for accelerating the export-oriented economic development in Liaodong peninsula, Quan Shuren said: Competition between skilled persons should be introduced in order to upgrade their quality. A trend of competition between various skilled persons and a trend of scrambling for skilled persons should be created. Because of the serious influence of the old management systems in some enterprises are used to managing their skilled persons in line with the state methods of managing administrative cadres. Some enterprises often divide their skilled persons into several levels and transfer skilled persons by first giving consideration to their original posts and wages. Such practices basically do not conform to the demands of the development of the commodity economy. We must know that scientific research units and enterprises are production and management units, units to make scientific research findings, or product manufacturers. Their treatment and income should be according to their economic results and scientific and technological findings. We must apply economic means of arousing the enthusiasm of skilled persons.

He said: In order to upgrade the quality of skilled persons, the universities, colleges, and scientific research units should bring their functions into full play and accelerate the transformation of scientific research findings into productive forces. We should encourage universities, colleges, and scientific research units to organize scientific and technological associations of various types of ownership to conduct technological development, to provide technological service, and to develop technological trade. On the premise of fulfilling the state's assigned tasks, these associations are allowed to sell the property rights of technological findings, and science professionals and technicians are allowed to hold two posts concurrently.

In order to accelerate the transformation of scientific research findings into productive forces and accelerate the commercialization of technological findings, we should encourage science professionals and technicians, college teachers, and party and government cadres to undertake and develop on a contract or leasing basis various types of economic entities and rural industrial and mining enterprises in Liaodong peninsula. These kinds of economic entities are allowed to enjoy preferential policies in the early stages of establishment. Those with contributions and achievements are allowed to be rich ahead of others. Those who earn money through their own efforts should legally be protected. Meanwhile, science professionals and technicians are allowed to open individual business and scientific and technological service trade so that they will be able to bring their functions into full play on the stage of developing export-oriented economy.

Liaoning's Quan Shuren Attends Get-Together
SK150051 Shenyang Liaoning Provincial Service
in Mandarin 1030 GMT 13 Feb 88

[Excerpt] This morning, the United Front Work Department of the provincial party committee held a get-together of various democratic parties and noted personages from all circles to greet the Spring Festival in the meeting room of the provincial Advisory Commission.

Leading comrades of the provincial party committee, the provincial Advisory Commission; the provincial People's Congress; the provincial government; and the provincial CPPCC Committee, including Quan Shuren, Li Changchun, Sun Qu, Dai Suli, Wang Guangzhong, and Xu Shaofu; and former leading comrades of the provincial party committee, including Guo Feng, Li Huang and Li Tao, attended the get-together to jointly greet the Spring Festival of the year of dragon along with the people. [passage omitted]

Liaoning's Quan Attends Tea Party for Cadres
SK150802 Shenyang Liaoning Provincial Service
in Mandarin 2200 GMT 14 Feb 88

[Excerpts] On the afternoon of 14 February, nearly 100 retired veteran cadres of the provincial-level organs happily gathered together at the meeting room on the third floor of the Liaoning People's Theater to attend a tea party to greet the Spring Festival.

Quan Shuren, secretary of the provincial party committee, first extended Spring Festival greetings to the veteran comrades. He said: The Spring Festival of the Year of Dragon will come very soon. As the old saying goes, the Year of Dragon is a good year. We hope veteran comrades will have better health during this good year, give full play to their abilities in the work of opening Liaodong peninsula to the outside world, and offer plans for the provincial party committee. [passage omitted]

Leading comrades, including Li Changchun, Dai Suli, Wang Guangzhong, and Xu Shaofu, also attended the tea party.

Northwest Region

Gansu's Li Attends Spring Festival Gathering
HK140343 Lanzhou Gansu Provincial Service
in Mandarin 2300 GMT 13 Feb 88

[Excerpts] On 13 February, the Lanzhou Military Region, the provincial party committee, Advisory Commission, People's Congress Standing Committee, government, and CPPCC, the Air Force of Lanzhou Military Region, and the provincial Military District jointly held a gathering to greet the Spring Festival in the Ningwozhuang Hotel in Lanzhou. [passage omitted]

Jia Zhijie, deputy secretary of the provincial party committee and governor, presided at the function. Li Ziqi, secretary of the provincial party committee, extended

greetings to the participants and to the cadres, intellectuals, workers, peasants, and people of all nationalities working hard on various fronts throughout the province. He also thanked and greeted the PLA and armed police commanders and fighters for defending the Great Northwest of the motherland and making outstanding contributions to construction in Gansu. [passage omitted]

Li Xuanhua, political commissar of Lanzhou Military region, also spoke. [passage omitted] Present at the function were leaders and veteran comrades of Lanzhou Military Region including Pei Jiuzhou, Yang Yongbin, (Wu Hueduo), Xing Shizhong, Wang Maorun, (Guo Boxiong), (Liang Peizhen), (Li Yuerun), (Li Shaotang), and others. [passage omitted]

Qinghai Leaders Attend Army-People Gathering
HK130349 Xining Qinghai Provincial Service
in Mandarin 2300 GMT 12 Feb 88

[Excerpt] On 12 February, the provincial leaders and responsible comrades of the provincial Military District and PLA units stationed in Qinghai gathered together to celebrate the Spring Festival of the Year of the Dragon. Present were provincial party and government leaders Yin Kesheng, Song Ruixiang, Liu Feng, Huanjuecailang, Bian Yaowu, Ma Wanli, Guo Ruozhen, Yan Wenjun, Han Fucui, Yang Maojia, Wu Chengzhi, and Ma Yuanbiao; Qinghai Military District Commander Qiu Shuxian and Political Commissar Lu Baoyin; (Qi Xingfa), commander of a PLA unit stationed in Qinghai, and (Li Changlin), political commissar; (Wang Manzhou), commander of the Qinghai-Xizang military service depot unit; (Sun Guoqin), commander of the Qinghai Armed Police; and (Wu Honglin), commander of a certain PLA unit stationed in Qinghai. Governor Song Ruixiang presided.

Provincial Party Committee Secretary Yin Kesheng extended new year greetings to the PLA commanders and fighters in Qinghai. [passage omitted]

Qinghai Leader Views Tasks of Journalists
HK140257 Xining Qinghai Provincial Service
in Mandarin 2300 GMT 13 Feb 88

[Excerpts] Leaders of the Qinghai Provincial CPC Committee including Yin Kesheng, Liu Feng, and Chen Yunfeng gathered with representatives of media circles in the province on 13 February to celebrate the Year of the Dragon. [passage omitted]

The media representatives expressed the common view that the provincial party committee should strengthen leadership over journalism and make systematic study of newspapers, radio, and television. The committee must provide micro guidance and also propose the macro orientation for work. The provincial party committee should set up a system for holding sincere talks and periodically report to newsmen on the focal, difficult, and crucial points in the province's work. In this way the

media will obtain more information and know what is what. The principal leaders of the provincial party committee should do well in making friends with the media. This will help to open up thinking in both directions and facilitate the reporting of information from lower to upper levels and the conveying of instructions from upper to lower levels.

They also expressed the hope that the provincial party committee will step up work in the ideological field and attach importance to the building of a climate for economic development.

Provincial Party Committee Secretary Yin Kesheng expressed thanks for these criticisms and proposals. He fully affirmed the fruitful work of media workers in the province since the 3d Plenary Session of the 11th CPC Central Committee. He called on them to do a good job in propaganda work in line with the central authorities' arrangements and in close connection with Qinghai realities. Journalists must first study well the 13th National Party Congress documents and Comrade Zhao Ziyang's article "Further emancipate the mind and further liberate the productive forces," so as to enhance understanding and resolve the problem of failure to emancipate the mind.

Yin Kesheng pointed out that media units must do a good job in reforming themselves and in building a contingent of workers. We must further improve the quality of this contingent; they should have stronger party spirit, a better grasp of policy, and more emancipated minds, and do sounder work. News reports should be true, comprehensive, objective, and fair. In work style, media workers should conduct themselves with dignity, be sincere, and act as hard-working oxen for the people.

Qinghai's Yin Attends Spring Festival Gathering
HK160327 Xining Qinghai Provincial Service
in Mandarin 2300 GMT 15 Feb 88

[Excerpt] The provincial party committee, Advisory Commission, Discipline Inspection Commission, People's Congress Standing Committee, government, CPPCC and Military District held a Spring Festival tea party in Xining on 15 February. Yin Kesheng, Song Ruixiang, Liu Feng, Huanjuecailang, Lu Shengdao, Lu Baoyin, Bian Yaowu, Ma Wanli, Zhao Haifeng, Qiu Shuxian, and (Li Changlin), responsible comrades of the party, government, and Army in the

Xinjiang Leaders Attend Spring Festival Party
HK150955 Urumqi Xinjiang Regional Service
in Mandarin 1230 GMT 10 Feb 88

[Excerpts] The autonomous regional people's government and the Xinjiang Military District this afternoon jointly held a Spring Festival tea party for soldiers, government workers, and civilians at the Assembly Hall of the People in Urumqi. [passage omitted]

Attending the tea party were Song Hanliang, Tomur Dawamat, Janabil, Li Shoushan, Zhang Sixue, Ba Dai, Tang Guangcai, and (Guo Gang), leaders from the autonomous regional party, government, and military organizations. [passage omitted]

Xinjiang's Song Attends Spring Festival Party
HK151410 Urumqi Xinjiang Regional Service
in Mandarin 1230 GMT 12 Feb 88

[Excerpts] Over 1,100 retired veteran cadres and comrades from the Urumqi area this morning cheerfully attended a Spring Festival tea party held by the autonomous regional party committee and autonomous regional people's government. [passage omitted]

Attending the tea party were Comrade Wang Enmao, vice chairman of the CPPCC National Committee and chairman of the autonomous regional Advisory Commission, as well as Comrades Song Hanliang, Janabil, Li Shoushan, Zhang Sixue, Ba Dai, (Keyoumu Bamudong), Tang Guangcai, Shi Geng, (Liang Guoying), (Haicimu Silamu), (Li Jiaju), Mayinu'er, (Chui Xifu), Zhang Shaopeng, (Ma Lingliang), Liu Shuangquan, and Wang Shizhen, leaders from the autonomous regional party, government, and military organizations. The tea party was presided over by (Chen Xifu), vice chairman of the autonomous regional People's Congress Standing Committee and director of the Organization Department under the regional party committee. [passage omitted] province, attended. [passage omitted]

Commentator Urges Taiwan To Remove 'Barrier'
*OW120050 Beijing XINHUA Domestic Service
in Chinese 1536 GMT 11 Feb 88*

[RENMIN RIBAO 12 February commentator's article
entitled "Spring Festival Greetings to Kinsmen"]

[Text] Beijing, 11 Feb (XINHUA)—The Year of the Dragon is drawing near to replace the old. At a time when all the people throughout the country are cheerfully ushering in the Spring Festival, we wish to extend our sincere greetings and cordial regards to the 20 million Taiwan compatriots on the other side of the Taiwan Strait.

In November last year, the Taiwan authorities permitted the people to go to the mainland to visit their relatives. During the past 3 months, there has been a continuous flow of Taiwan compatriots visiting the mainland. Many white-haired men and women who live far away from their homeland are finally able to return to their native places after such a long period. Fathers and sons meet again, while husbands and wives are reunited. They pour out their feelings on how much they miss each other and enjoy a happy family reunion. This kind of separation and reunion reflect so much sadness and joyfulness, while making so many people show their smiling faces.

When a young person leaves his home, 1 year is not a short period. A period of 2 years is just too long. The Taiwan compatriots have left their kinsmen for nearly 40 years. Only now are they able to return to their homeland. Greatly touched by their feelings, all the compatriots on the mainland are seeking to help and make things convenient for those on both sides of the strait to bring about a happy family reunion. Not long ago, Zhao Ziyang, general secretary of the CPC Central Committee, clearly put forward the policy: "Don't force political views on Taiwan compatriots who come to visit their

relatives; don't ask for money or goods from them; and don't cheat them." For the past several months, transportation, customs, tourism, and other departments concerned have conscientiously carried out this policy and striven to help Taiwan compatriots dispel their worries and surmount difficulties; they have provided them with high-quality service so that those Taiwan compatriots who come to visit their relatives feel the warmth of the motherland and the deep kindred feelings between the people on both sides of the strait.

There remain some shortcomings and inadequacies in our work and arrangements to receive the Taiwan compatriots. Further improvements should be made in terms of transportation, boarding facilities, and services. The Spring Festival is drawing near. More Taiwan compatriots will come to the mainland to visit their relatives. It is hoped that the various localities will earnestly sum up their experiences, further improve their services, eagerly make things convenient for the Taiwan compatriots, and do a still better job in receiving them so that the Taiwan compatriots who come to visit their relatives will cheerfully come to the mainland and leave the mainland satisfied.

Lifting the ban on mainland visits is an auspicious sign and an encouraging step forward. However, the Taiwan authorities still have other restrictions. The desire of the people on both sides of the Taiwan Strait for "two-way visits" has not yet been realized. Right now, many compatriots on the mainland are eagerly waiting for their kinsmen in Taiwan to return to the mainland to celebrate the Spring Festival together, while many Taiwan compatriots who live on the mainland and the relatives of those who are in Taiwan are ready and eagerly waiting to go to Taiwan to visit their relatives there. It is hoped that the artificially imposed barrier will be removed as early as possible so as to allow the people on both sides of the strait to freely visit each other and accomplish their desire for family reunion.

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